

# INTERNATIONAL Herald Tribune

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Agents: 600 Du... 115 Post... 1000 Par...  
Academy 25 12nd... MS 2100... 140...  
Bremen 0800 Du... 1000 Lu... 610...  
Salyan 2019... 5076... 75...  
Canada C5 125... Shs 2007... 700...  
Cyprus C1080... 500... 140...  
Denmark 1100 Du... LU 040... 300...  
Egail P 2750... 5011... 350...  
France 0570... 1935... 670...  
Germany 707... 900... 1200...  
Greece 270... 300... 800...  
Great Britain 0200... 500... 100...  
Ireland 1302... 530... 2700...

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Ronald Reagan took his seat at the NATO summit as Margaret Thatcher spoke to U.S. delegates. At right, President François Mitterrand and Prime Minister Jacques Chirac and Chancellor Helmut Kohl at the opening ceremony.

## Soviet Cut Is Sought By NATO

### Alliance Will Ask Big Reduction in Nonnuclear Arms

By Joseph Fitchett  
International Herald Tribune  
BRUSSELS—Leaders of the 16 North Atlantic Treaty Organization nations agreed Wednesday that they will demand drastic cuts in Soviet forces in Europe in new conventional arms talks.

In a statement issued at a summit meeting, they said they would seek to eliminate the Warsaw Pact's capability for "launching surprise attack and for initiating large-scale offensive action."

Spelling out Western objectives in conventional disarmament, the NATO allies are accused in the U.S. Congress of not paying their fair share. Page 6.

statement said that the Soviet Union would have to scrap "tens of thousands" of tanks and artillery weapons and accept much deeper, "highly asymmetrical" cuts to reduce its advantage over NATO ground troops.

It also warned against any attempt by the Soviet Union to use conventional arms talks as a way to remove most U.S. nuclear weapons from Western Europe.

President Ronald Reagan said that NATO was trying to eliminate Soviet military superiority, which he described as "the greatest threat to peace."

The text outlined the West's approach to the issue of reducing the military advantage in Europe that the Soviet Union has held since World War II.

The Soviet leader, Mikhail S. Gorbachev, has offered to negotiate on this issue but, until this week's summit meeting, Western nations have been unable to agree on a joint response.

France, which has been the most reluctant to include its forces in negotiations, apparently dropped its final objections last week.

The NATO summit meeting, which started Wednesday, was the third since Mr. Reagan took office in 1981. It will be the last for both Mr. Reagan and Lord Carrington, the alliance secretary-general who retires this summer.

In 1982, NATO leaders agreed to press ahead with plans to deploy intermediate-range nuclear forces.

In 1985, Mr. Reagan met NATO leaders after his first summit meeting with Mr. Gorbachev, which marked a thaw in U.S.-Soviet relations.

Participants said that the only surprise Wednesday came from Prime Minister Margaret Thatcher of Britain, who gave a hard-line speech in which she said that the Soviet Union had continued to modernize its nuclear and conventional forces despite December's Intermediate Nuclear Forces Treat-

## Though Spurned by Palestinians, Shultz Will Resume Talks

By David K. Shipler  
New York Times Service  
BRUSSELS—Secretary of State George P. Shultz received approval Wednesday from President Ronald Reagan to resume his peace mission in the Middle East for a few more days, beginning Thursday.

"All countries in the region believe it is useful for the United States to remain engaged in this process," The Associated Press quoted Mr. Reagan as saying in Brussels. "We will spare no effort in our search for a comprehensive settlement." Mr. Shultz is expected to stop in Israel, Jordan and Egypt before returning to Washington.

The effort is handicapped, however, by Mr. Shultz's inability to meet with Palestinian leaders. Furthermore, the local Palestinians have managed this *intifada*, or uprising, as they call it, without help or guidance from the Arab states or the leadership of the Palestine Liberation Organization.

"For the first time since May 15, 1948," a senior Israeli defense official said in reference to the date of Israel's independence, "Palestinians who reside inside lead the struggle, much more than they have in wars of terrorism."

By the same token, those inside defer to the PLO leadership outside even when they disagree tactically, both because they are afraid of assassination by PLO operatives and because the PLO is the symbol of their nationalist aspirations.

This presents a crippling problem for Mr. Shultz, who is bound by policy and politics not to negotiate with the PLO but whom local Palestinians refused to meet when he invited them to do so last week in Jerusalem.

In turning down his invitation they were obeying orders from the PLO leadership in Tunis, which does not want its primacy undermined by a buildup in the stature of local Palestinians.

Although no mainstream Israeli politician endorses contacts with the PLO, some aides to Prime Minister Yitzhak Shamir worry that negotiations with King Hussein of Jordan are becoming irrelevant, because he appears to have little control over the Palestinians.

Mr. Shultz has tried to speak in conciliatory tones. On Friday, he said: "Palestinian participation is essential to success in the peace process. Palestinians must achieve control over political and economic decisions that affect their own lives."

Because of a long-standing agreement with Israel, however, the United States cannot negotiate with or recognize the PLO until it accepts Israel's right to exist and United Nations Security Council resolutions 242 and 338, linking Israeli withdrawal from occupied territories to the right of all states in the region to secure borders.

Mr. Shultz has tried to speak in conciliatory tones. On Friday, he said: "Palestinian participation is essential to success in the peace process. Palestinians must achieve control over political and economic decisions that affect their own lives."

### Kiosk

#### Moscow Eases Travel Curbs

MOSCOW (Reuters)—The Soviet Union is to ease formalities for travel abroad by businessmen, scientists, technicians, athletes and cultural figures, the official Tass news agency reported Wednesday.

#### UN Appeal on PLO

UNITED NATIONS, New York (Reuters)—The General Assembly voted, 143-1, Wednesday to call on the United States to rescind its plan to shut down the Palestine Liberation Organization's UN mission.

#### Pat Robertson's record in the Korean War

Pat Robertson's record in the Korean War came under renewed attack. Page 3.

#### General News

Series That weakness was exposed in the recent border conflict with Laos, analysts in Bangkok suggest. Page 2.

#### Science

The next earthquake in the U.S. may hit the East Coast, experts believe. Page 7.

#### Dow Close

DJ	1,8965
DM	1.7675
Yen	129.40
FF	5.7375

#### Polish Party Reassesses 1960s Anti-Semitism

By Jackson Diehl  
Washington Post Service  
WARSAW—Poland's Communist Party conceded Wednesday that an anti-Semitic campaign following student demonstrations in 1968 had "hurt many people" and damaged the country's intellectual life.

The long statement, published as an article in the party newspaper *Trybuna Ludu*, was the centerpiece of an elaborately orchestrated initiative to review the crisis, which led to the emigration of almost all of Poland's remaining Jews and turned much of the intelligentsia against Communist rule.

*Trybuna Ludu* said that from 1968 to 1971 about 13,000 Polish Jews emigrated—a phenomenon, it said, that "damaged the international prestige of Poland." Other publications put the emigration at up to 20,000. Fewer than 5,000 Jews now live in Poland.

The re-evaluation is described by party officials as a major step by Poland toward embracing the policy of *glasnost*, or openness in public life, initiated by the Soviet leader, Mikhail S. Gorbachev.

The new official accounts, which are also appearing in several weekly newspapers as well as the party's ideological journal, blame party leaders for economic and political stagnation that underlay the eruption of widespread student protests 20 years ago this month. They condemn party conservatives for launching anti-Semitic attacks against protest organizers and stimulating a widespread purge of Jews from professional and party posts.

## Analysts Say 'Glasnost' Underlies Ethnic Revolt

By Craig R. Whitney  
New York Times Service  
WASHINGTON—Despite the challenge to Mikhail S. Gorbachev's authority posed by the current unrest among Soviet ethnic minorities, the consensus among U.S. government experts is that he and his policies of change have not yet been seriously endangered.

But some of the Americans say that the ethnic ferment is a direct consequence of Mr. Gorbachev's own calls for more openness in discussing the country's problems. If the rioting in Soviet Armenia and Azerbaijan grows worse, they say, his opponents in the Communist Party leadership could use it to slow the pace of change and weaken Mr. Gorbachev's position.

"Recent events in Armenia and Azerbaijan have raised questions in the community here about whether this might have repercussions for the stability of his leadership," a State Department expert said. "But until now the debate has been not over whether he's in real trouble but rather how fast he can continue to move the country where he wants it to go."

[A Soviet spokesman said Wednesday that there were deaths during rioting in Azerbaijan. Story, Page 6.]

Americans at the Central Intelligence Agency, the State Department, the National Security Council staff, the Pentagon and various other branches of the government have been trying to figure out just how Mr. Gorbachev is faring and what he is trying to do ever since he was named general-secretary of the Soviet Communist Party in March 1985.

At first, many in the Reagan administration dismissed his efforts at domestic reform as illusory moves. Now most of them do not question whether he really wants reform—they wonder whether the collective leadership of which he is a part will continue to support it, and for how long.

The consensus within the U.S. government that Mr. Gorbachev intended far-reaching reforms, to save the Soviet system from fatal decline, began to emerge about the time of the summit meeting in Washington last December. Even then, the Americans agreed that Mr. Gorbachev's plans were contentious and speculated about how firm his authority was.

Earlier this year, Robert M. Gates, deputy director of the CIA, addressed the issue in a speech that was cleared by the White House and apparently reflects the government consensus.

"With the selection of Mikhail Gorbachev," he said, "the Politburo signaled its recognition that the Soviet Union was in deep trouble—especially economically and spiritually—trouble that they recognized would soon begin to have real effect on military power and their position in the world."

Mr. Gates went on: "Nearly every step Gorbachev seeks to take toward structural economic or political change is a struggle, and support in the Politburo for his initiatives shifts constantly. He must rely on a long-term, largely nonviolent purge of party and bureaucracy and placement of his supporters if he is to remain in power and to

## Behind Iraqi Attacks, Concern Grows

By Patrick E. Tyler  
Washington Post Service  
DAMASCUS—Iraq's missile barrages against Iranian cities represent a significant escalation of the seven-year Gulf War at a time when there is growing desperation in Baghdad that the support of its Arab allies is flagging and that international attention is shifting to the Arab-Israeli dispute.

Following last month's first use by Iraq of long-range bombers and air-launched versions of Silkworm missiles designed to hit Iranian shipping targets in the southern reaches of the Gulf, the Iraqi leadership is clearly moving to push the war to a higher intensity.

[On Wednesday, Tehran Radio said that an Iraqi rocket had hit the Shiite Moslem holy city of Qom, 90 miles (150 kilometers) southwest of Tehran. Reuters reported from Nicosia. No casualties were reported in what was the first Iraqi rocket attack since the city.]

Just as important as the advance in weaponry and escalating Iraqi tactics is an apparent underlying strategy by Iraq to goad Iran into another full-scale battlefield confrontation this year.

"For the first time in our history, we want the Iranians to attack," an Iraqi official told a reporter during a visit to Baghdad last month. The official explained that Iraq's confidence that it could repel a major offensive would demonstrate to Iraq's allies that Iran had no hope of breaching the country's defenses. Moreover, the world would be reminded, he said, that the war requires a major diplomatic effort to bring it to an end.

Western officials say that the easing of the "urgency" created by two years of Iranian offensives against Iraq's southern ports of Faw and Basra has taken the pressure off United Nations efforts.

These officials said that a U.S. plan to force a vote last month in the United Nations calling for an arms embargo against Iran has suffered further delay, which is another troubling sign to Baghdad that there remains substantial reluctance by a number of countries, led by the Soviet Union and China, to confront Iran with sanctions.

As a result, frustration has been running high in the Iraqi regime, where the realities of Iran's population advantage over Iraq suggest that a drawn-out war of attrition is too dangerous for the long-term survival of the government of President Saddam Hussein.

The consensus among Arab and Western diplomats in the region is that Iraq sees its strategic interests best served by an escalation of the war.

See GULF, Page 6

## In Japan, No U.S. Bargains

Despite Weak Dollar, Prices Still High and Sales Flat

By Susan Chira  
New York Times Service  
TOKYO—The weak dollar has helped to make American products much more competitive in many markets around the world. But, defying predictions, it has not yet brought about a significant increase in American sales in Japan.

Presumably, the dollar's 50 percent decline against the yen in the last three years should have allowed American companies to sharply cut their prices and gain market share in Japan. But while some prices have declined, few have fallen as far as the dollar. Consequently, many American products still cost much more in Japan than in the United States.

For example, an IBM personal computer, the PS/2 Model 30-021, sells for \$2,295 in the United States and 443,350 yen, or \$3,452, in Japan. A Black & Decker steam iron costs \$36 in the United States and \$99 in Japan. A pair of Levi jeans that cost \$32 in the United States, cost \$62 in Japan.

These prices may make it seem as if U.S. companies are trying to maximize profits instead of trying to enlarge their share of the Japanese market by slashing prices. Indeed, some executives of American subsidiaries in Japan chastise their colleagues for not reducing prices more than they have.

"My blunt opinion is that some companies don't try hard enough," said Shojiro Makino, president of Grace Japan, a subsidiary of W.R. Grace & Co., the U.S. chemical concern. "I really am sad, because they are missing an opportunity."

But executives of several U.S. companies here say there are other reasons why sales have not soared or their prices are not much lower: Many subsidiaries are not free to set their prices, and their executives say that their headquarters in the United States have been slow to allow them to cut prices in tandem with the dollar's fall.

U.S. companies selling consumer products often cannot control the final prices in stores; that is up to Japanese distributors, who, preferring to make more money, may not pass along price cuts.

In Japan, product quality and a close relationship with customers have traditionally played a bigger role than price in winning business.

Many American companies manufacture their products in Japan and thus have not benefited from the weaker dollar.

The products of such newly industrialized Asian countries as South Korea remain much less expensive than American goods.

These reasons help explain why imports of American products rose a modest 8.2 percent last year as measured in dollars.

"People thought that if the yen were a little bit higher, the face of the world would change," said John P. Stern, a senior representative in Tokyo of the United States Electronic Industry Japan, a trade association. "But of the 350 United States electronics companies out here, I know of only one that claims substantial extra business because

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### See MILIONS, Page 6

### See RIOTS, Page 6

### See POLAND, Page 6

### See GULF, Page 6

# An Injured Sphinx — and Bruised Egos

By Alan Cowell  
New York Times Service  
CAIRO — A chunk fell off the Sphinx the other day and stirred more than just the dust in which it landed.

The fall inspired debate over how long the monument, now 4,600 years old, can survive. Some gave it only 20 years before it crumbled to powder, and others said that the nation's best-known monument still had many more inscrutable decades, even centuries, to go.

The lesion, on the huge statue's right shoulder, claimed one human victim, Ahmed Kadri, Egypt's director of antiquities, lost his job in the furor over who was to blame, a spasm of mudslinging that raised an old question: Who knows best about Egypt's antiquity, foreigners or the Egyptians themselves?

The fall occurred on Feb. 10 when two limestone slabs, weighing about 700 pounds (317 kilograms) between them, plummeted and left a dull scar in the pale stonework.

Egyptians call the Sphinx Abu al-Hawl, meaning father of terror. It measures 66 feet (20 meters) high and more than 230 feet long. It is a great hybrid of human and lion whose worn and wind-whipped face is thought to depict the Pharaoh Chephren.

As the wisdom goes, the huge monument is thought either to guard the nearby three pyramids of Giza, or to simulate the Pharaoh offering sacrifices to the sun god.

Either way, it has stood since 2600 B.C., weathering excavations from the desert sands that have

covered it, sometimes nearly burying its body. And across the millennia, the great monument has been beset by other woes.

Since earlier falls of rock in 1981, an Egyptian team has been working at its restoration, reshaping parts of it with blocks of modern stone that contrast sharply — some say incompatibly — with the weather-battered bulk of the mon-

**'The Sphinx is facing no danger at all. What fell was not a slab but an outer coating. This is a theatrical farce.'**

Ahmed Kadri, former antiquities director

ument. But the restoration, said to be 80 percent complete, has not shielded the monument from the ravages of wind-borne sand, water and pollution.

Zahi Hawass, an archaeologist in charge of the district embracing the pyramids and the Sphinx at Giza, said a rising water table was gnawing away at the statue's limestone, while recent rain and sandstorms had battered its surface.

Just before the latest rock fall, a witness said, the Sphinx was lashed by a cruel sandstorm that seemed to help loosen the slabs that fell.

Mr. Hawass is one of those who contend the Sphinx is doomed unless scientists work out a way to save it.

"Maybe we will not find the

Sphinx in the coming 20 years if we do not do this type of study," he recently said. "We know that water changes limestone to powder."

Egypt's culture minister, Farouk Hosni, has said an international committee of archaeologists should be convened to work on the Sphinx's salvation.

But that suggestion drew a tart response from Mr. Kadri, the for-

Western expert, "was over the minister's wish to get foreigners in."

Mr. Kadri opposed that proposal, although he has supported many other foreign ventures involving Egypt's ancient monuments, notably French and Japanese teams working at the Pyramids.

A consensus among many Egyptian and foreign experts seems to be that replacing the fallen stone-work is not a big problem but that the fall itself should be treated as a sort of omen.

"The piece that fell off does not form a load on other parts of the statue," said Kamal Barakat of the Egyptian Museum in Cairo, "but it should be taken as a warning, and there is enough time for studies on how best to restore it."

But that does not seem to ease the latent friction between Egyptians and outsiders over who is best-equipped to safeguard the future of antiquities that are seen by some Westerners as part of the human heritage, not purely a legacy for Egypt.

Foreigners had total control of Egypt's antiquities, one expert said, until Gamal Abdel Nasser rose to power in 1952, sweeping the outsiders' influence before a wave of Arab nationalism.

"Some foreigners," a Western expert said, "are pretty scathing about Egyptian skills. But some Egyptians have a great deal of feeling for their monuments. For us, they seem to belong to the whole world because they are so beautiful. The reality is, though, that it's just not our country."

"The fight at the Sphinx," said a



Egyptian and foreign archaeologists inspecting damage to the Sphinx, which recently lost a chunk of its right shoulder.

# U.K. Offers Plan to Cut Ulster Discrimination

By Howell Raines  
New York Times Service  
LONDON — The British government outlined its plans Wednesday for legislation to combat discrimination in employment against Roman Catholics in Northern Ireland.

The key provisions call for "compulsory monitoring" by private and public employers, of the religious balance of their work forces, and for the removal from government bid lists of companies that discriminate.

The plan proposes the establishment of a new "tribunal" with the power to issue compliance orders that could be enforced in court by fines or prison sentences.

The British also plan to outlaw "indirect discrimination" which in the past has been done by such stratagems as confining recruitment drives to areas with high Protestant populations.

In sketching the legislation to be introduced in the House of Commons next fall, British officials acknowledged that the Fair Employment Act of 1976 had failed to end discrimination against Catholics in the province. Currently, unemployment among Catholic males is 25 times higher than among members of the Protestant majority.

The Northern Ireland secretary, Tom King, went to Belfast to announce the new campaign in an effort to bring optimism to British-Irish relations.

He warned the province's employers that traditional tactics of delay and resistance would not be tolerated.

"I will have very little sympathy indeed for those who seek to create problems and to point to difficulties," he said.

The Irish government and opposition politicians gave the proposal a cautiously approving welcome, noting that for the first time the British are proposing sanctions of the sort once ruled out as "reverse discrimination."

But the critics faulted Mr. King's proposal for lacking a detailed timetable and numerical goals. They also said the government had erred in deciding that a proposed Fair Employment Commission rather than Parliament, would draw up a new Code of Practice for Northern Ireland's employers.

Both government officials and outside analysts said the campaign for the MacBride principles in the United States had influenced the British government to take a more aggressive line against religious discrimination in a province where Catholics make up about 40 percent of the 1.5 million population.

The principles, named after Seán MacBride, the Irish statesman and standards for fair employment in Northern Ireland. Several U.S. states have adopted legislation endorsing the principles.

# Laos Conflict Reportedly Exposed Thai Weakness

By Michael Richardson  
International Herald Tribune  
BANGKOK — Serious deficiencies in Thailand's armed forces were exposed in a recent border conflict with Laos, analysts said.

Their analysis said the deficiencies might undermine the prospects of the army commander becoming the next prime minister.

Negotiations between Thailand and Laos seeking a lasting agreement on the boundary dispute are scheduled to begin here Thursday.

The army commander, General Chavalit Yongchaiyudh, played a key role in ending the fighting last month. Thai troops failed to drive Laotian forces from a patch of disputed territory.

Foreign and Thai analysts said that by taking a high profile in ending the fighting with Laos, General Chavalit sought to strengthen his claim to be Thailand's next prime minister.

But his peace-making effort with Thailand's small Communist neighbor has been criticized by officials close to Prem Tinsulanonda, 68, a former general who has been prime minister since 1980.

One official, who asked not to be identified, said that in talks last month with Laotian military leaders in Bangkok and the Laotian capital of Vientiane, General Chavalit had strengthened suspicions in Thailand that he was too ready to "compromise with Communists."

The official added that he did not think that General Chavalit would "make it to the top."

Mr. Prem, the source said, was "definitely inclined to see out his current term as prime minister" and might accept another term.

Parliamentary elections in Thailand are not due until August 1990.

Kukrit Pramoj, a former prime minister, last week attacked the

cease-fire agreement negotiated by General Chavalit.

"We were defeated by Laos," Mr. Kukrit said.

But Boonchu Rojanastien, an opposition leader who heads the foreign affairs committee in Parliament, on Monday absolved the armed forces of fault and commended General Chavalit for skillfully ending the fighting.

General Chavalit has said repeatedly that he will retire in May. His political future as Mr. Prem's successor no longer seems as assured as it was.

"He has critics in the military, the bureaucracy and in Parliament," said Surin Pitsuwan, a member of the Democrat Party, the largest group in Mr. Prem's coalition.

Political sources said that General Chavalit had been associated with several proposals in the past two years to extend the political

influence of the military at the expense of cabinet, parliament and the major political parties.

He had also promised to make the armed forces a more professional and effective force.

Sukhumthand Paribatra, director of a security studies program at Chulalongkorn University, said the performance of the Thai armed forces in the conflict with Laos was "very bad and General Chavalit must take the blame for that."

"Chavalit had to get a cease-fire because the Thai troops could not capture the hilltop position held by the Laotians and the casualty rate was mounting," he said.

Major General Yingyos Chotiporn, commander of the Third Army Region in the north of Thailand where the fighting with Laotian forces took place, said that more than 100 Thai troops were killed.

Thai government officials said

the intense fighting over an 80-square-kilometer (30-square-mile) patch of rugged terrain was triggered in August by an illegal Thai logging operation in the disputed zone and an adjacent area of Laos.

Other sources said that local Thai military units and commanders were associated with the logging racket.

Mr. Prem last year started an anti-graft campaign that has led to the arrest, dismissal or transfer of dozens of civilian officials and police.

The campaign, however, has been criticized by some diplomats and Thais for not reaching into the military establishment.

A Western defense attaché said the border conflict with Laos had exposed serious deficiencies in Thailand's officer training system.

"They spend too much time on theoretical book work and not enough time in the field," he said.

# WORLD BRIEFS

## 300 Seek Prosecution of Waldheim

VIENNA (AP) — About 300 Austrians, including the writers Robert Jungk and Erich Fried, have asked state prosecutors to investigate whether President Kurt Waldheim can be prosecuted on suspicion of murder, a spokesman for the group said Wednesday.

A petition asking that Mr. Waldheim be investigated on the charge based on a historians' report about his World War II record, which found that he must have been aware of Nazi war crimes and therefore bore moral responsibility, has been circulating among intellectuals and at Waldheim demonstrations.

The petition, published by the magazine Falter, cited an article of Austria's criminal code stating that "not only the direct perpetrator commits the punishable act, but also a person who persuades another person to commit it, or who otherwise contributes to its perpetration."

Turkey to Review Union Curbs  
ANKARA (Reuters) — The Turkish government plans to review some of the restrictions imposed on trade unions during the period of army rule in the early 1980s, Labor Minister Imren Aykut said Wednesday.

"Within six or eight months we will have the opportunity to discuss the and make necessary changes and amendments to the laws and legislation," she said. Mrs. Aykut said that among the laws to be reviewed were those stating that only people who had been union members for at least 10 years could run for office and were then limited to a maximum of four three-year terms. Both issues have been of concern to unions and the International Labor Organization in Geneva.

Diplomatic sources said, however, that the government was unlikely to tamper with major articles of the 1983 laws, which ban strikes in largely undefined areas of national interest.

## Japan Increasing U.S. Troop Support

TOKYO (AP) — Japan signed an agreement Wednesday with the United States that requires it to assume a larger share of the costs of running U.S. military bases in Japan. The agreement follows a pledge by Prime Minister Noboru Takeshita to increase Japan's contribution.

Foreign Minister Sosuke Uno and L. Desaix Anderson, acting U.S. chargé d'affaires, endorsed a protocol that increases Japan's share of allowances for the 21,000 Japanese base workers from a maximum 5 percent to 100 percent by 1991, the U.S. Embassy said.

Under the agreement, Japan will pay all benefits and allowances for the workers, including transportation, housing and retirement expenses. The United States pays their salaries.

## Tougher Ban on Swaggart Rejected

NEW ORLEANS (AP) — Louisiana leaders of the Assemblies of God have rejected a request by national church officials that they toughen their recommended sanctions against the Reverend Jimmy Swaggart according to a church official.

The Louisiana official, who asked not to be identified, said Tuesday that the state presbytery decided at a meeting Monday to rebuttal its original recommendation that Mr. Swaggart, a television evangelist, be barred from preaching for three months as part of a two-year rehabilitation program. The national presbytery reportedly recommended barring Mr. Swaggart from the pulpit and television for a year, with an additional year of regulation of his ministry.

Mr. Swaggart, who heads a worldwide ministry with an annual income of \$140 million, stepped down from his pulpit Feb. 20 and published reports that he had paid a prostitute to perform obscene acts

## TRAVEL UPDATE

### New Investment Urged for Heathrow

LONDON (Reuters) — London's Heathrow Airport could lose its dominant role as a hub of European air transport because demand is outstripping its capacity to handle flights, according to a report Wednesday.

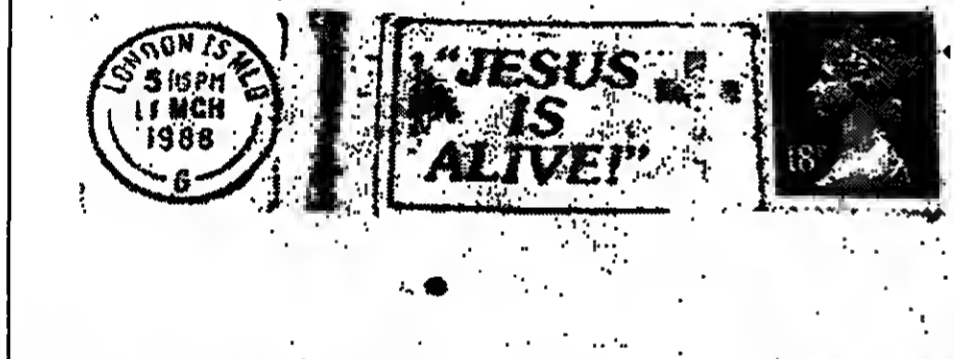
The publicly funded Civil Engineering Economic Development Committee said that without rapid, carefully planned investment, air traffic might switch to airports on the continent. Heathrow is the world's major junction for transit passengers changing airlines.

### U.S. Is to Require 10 Exits on 747s

WASHINGTON (AP) — The Federal Aviation Administration will require Boeing Co. to install 10 exit doors in its new 747 passenger jetliners rather than the eight the company prefers, T. Allan McArthur, agency's administrator, said Wednesday.

Mr. McArthur told the House Subcommittee on Investigations and Oversight that for safety reasons he had decided to issue a rule, to be ready by late summer, requiring the additional doors. A Boeing official, however, told the committee that having only eight doors would be safe.

Strikes threatened for Thursday and Friday at the French domestic airline Air Inter were called off Wednesday after unions and management agreed to further negotiations, union officials said.



This postmark is to be used in Britain for six weeks.

# Will Britain Stamp Out Postmark?

The Associated Press  
LONDON — The Post Office on Wednesday began delivering mail throughout Britain bearing the postmark "Jesus Is Alive!" — a move that Jews, humanists, the National Secular Society and others called offensive to other beliefs.

"It is absolutely outrageous," said Martin Horwood, spokesman for the British Humanist Association, a national organization for the nonreligious.

"Imagine the furor if we had asked to have 'Jesus is Dead' printed on hundreds of millions of letters. We might think these things privately, but they should not be forced on everybody else in such an insensitive way," he said.

Mr. Horwood said he would ask Sir Brian Nicholson, Post Office chairman, that the postmark be withdrawn.

Paul Slennet, a Christian evangelist, financed the arrangement with the state-run Post Office. Mr. Slennet, 41, sells Christian literature at two bookstores in Southend-on-Sea, east of London.

He said God told him to buy the postmark. The six-week arrangement runs through Good Friday, April 1, when Christians mourn the crucifixion of Jesus Christ, to Easter Sunday, April 3, when they celebrate his resurrection.

The Post Office said Mr. Slennet, who belongs to an evangelical group called Intercrossors for

Britain, paid \$88,500 for the privilege of having every letter mailed through 68 of Britain's 69 sorting offices stamped with the postmark "Jesus Is Alive!"

The 69th office, in Plymouth, is already booked for a slogan celebrating England's defeat of the Spanish Armada in 1588.

The deal includes mail sent abroad but excludes parcels, periodicals and mail stamped by businesses that do their own franking. Nearly 52 million letters are mailed daily in Britain.

The Post Office said it considered each private application for a postmark slogan on its merits. Revenue-boosting, private-slogan postmarks usually urge support for health-research charities and other such causes. The postmark before the "Jesus Is Alive!" slogan was a Post Office message reading "Pass on your Postcode."

Mr. Slennet was quoted by The Daily Telegraph as saying he was convinced "the Lord will speak to the nation" through the scheme, which he said was to mark Easter.

"We are not trying to offend people in any way," the newspaper quoted Mr. Slennet as saying.

But Shimon Cohen, spokesman for Lord Jakobovits, the chief rabbi of Britain, said: "It could well cause offense and resentment. We've made our feelings known to the Post Office."

# UN Aide Asks Pakistan To Shift Afghan Stance

By David B. Ottaway  
Washington Post Service  
GENEVA — The chief United Nations negotiator of a peace accord that would end the war in Afghanistan appealed Wednesday to Pakistan to drop its demand for the formation of a coalition government in Kabul before the withdrawal of Soviet troops.

Undersecretary-General Diego Cordovez of the United Nations, opening what is expected to be the final round of indirect talks between Pakistan and Afghanistan, said the issue of a government "should be left to the Afghans alone" to settle and not become "subject of an international agreement."

"We would be establishing in my view an extremely unfortunate precedent," Mr. Cordovez said.

President Mohammed Zia ul-Haq of Pakistan has said he will not sign the agreement with the present Communist-dominated Kabul government and insisted on the formation of another one acceptable to the U.S.-armed Afghan resistance.

He contends that without an internal political accord and a broad-based coalition government in Kabul, a Soviet pullout would bring chaos in Afghanistan that could spill over into Pakistan and delay the return of Afghan refugees.

Until recently, Moscow linked a withdrawal agreement to the formation of such a coalition in Kabul. But Mikhail S. Gorbachev, the Soviet leader, has dropped this condition and says that he is ready to start withdrawing troops May 15 if the Geneva talks can produce a settlement by mid-March.

The issue of establishing a government is not officially a subject of the indirect negotiations, known as "proximity talks," being conducted here under UN auspices between Pakistan and Afghanistan. Mr. Cordovez said it should "absolutely not" be added as an issue.

"Please think of the possibilities that would be opened if we were to decide in this context that the setting up of a government is going to be the subject of a negotiation and agreement at the international level," he said.

The mediator said the talks, which began in June 1982, had reached "a very sensitive" point and had been well-prepared in advance to assure their success. He said he felt there was "a real determination" by all parties now to get a settlement "as soon as possible."

Because Pakistan has refused to recognize the Kabul government, Mr. Cordovez has to shuttle between two rooms adjoining the old League of Nations council chamber on the first floor of the Palais des Nations.

Mr. Cordovez indicated he was encouraged by the statement of the Pakistani minister of state for foreign affairs, Zain Noorani, who did not immediately repeat President

Zia's demand and said Pakistan's position would be decided after a meeting of all Pakistani political parties Saturday.

Mr. Noorani said he would probably go back for that meeting. Observers said they doubted there would be much serious negotiating until his return early next week.

But Mr. Noorani said he would raise the issue at the talks now, saying that "without such a government set up simultaneously with the withdrawal there is no earthly possibility of the refugees — three million of whom are on our soil — returning to their homeland."

Pakistan is under heavy pressure from the Soviet Union, and some from the United States as well, to drop its demand for the establishment of a new Afghan government prior to signing the agreement.

Mr. Cordovez offered Feb. 8 to start withdrawing Soviet troops May 15 and to complete the pullout within 10 months, provided the UN-sponsored peace accords can be signed here by March 15. He also insisted that U.S. military aid for the Afghan resistance be ended.

The first of the four instruments of the accord is a bilateral agreement on noninterference in Afghanistan's affairs; the second, a declaration on international guarantees; the third covers the return of refugees; and the last sets out the interrelationship of the four parts as well as the Soviet troop withdrawal.

■ Warning by U.S. Senate  
The Democratic-controlled Senate warned Tuesday against cutting off U.S. military aid to Afghan rebels until it is "absolutely clear" that the Soviet Union had ended its occupation, The Washington Post reported from Washington.

The appeal was contained in a "sense of the Senate" resolution approved, 77-0, after a day of anti-Soviet speeches during which the majority leader, Robert C. Byrd, Democrat of West Virginia, expressed concern that the administration is "going to sell the Afghan resistance down the river."

Mr. Schray, whose mother is Lebanese, is a permanent resident in Lebanon.

# Jean Le Poulain, 63, Head Of Comédie Française, Dies

Agence France-Press  
PARIS — Jean Le Poulain, 63, who rose to head the Comédie-Française after it turned him down as an actor, died Tuesday of a heart attack.

Mr. Le Poulain had been a member of the Comédie-Française since 1979 and took over its control in 1986. The theater was founded in 1680 and is the repository of French classical drama.

During a career of 40 years in the theater, he acted in and directed dozens of plays ranging from the classics to farces and contemporary works.

Born in Marseille, he spent most of his childhood in Indochina. Returning to Paris, he won first prize for comedy from the Conservatory. Yet he was turned down by the Comédie-Française and, after three years on other Paris stages, formed his own company.

■ Other deaths:  
Joe Besser, 80, who was one of the later members of the slapstick trio The Three Stooges and who played the brat Stinky in the Abbott and Costello Show, in Los Angeles. He was a Stooge from 1956 to 1958, replacing Shemp Howard.

Thomas Vezzetti, 59, mayor of Hoboken, New Jersey, who campaigned for election with a bull-horn in the city's streets, Tuesday of a heart attack.

Jean Le Poulain in Molière's "L'Ecole des Femmes" in 1963.



Jean Le Poulain in Molière's "L'Ecole des Femmes" in 1963.

Egyptian-Turk Maneuvers  
ANKARA — Egypt and Turkey will hold joint naval exercises in the eastern Mediterranean later this year, the Turkish Foreign Ministry said Wednesday.

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# INTERNATIONAL Herald Tribune

## Waiting for the PLO

The bottom may be about to fall out of the assumption that underlies Middle East peace negotiations. The assumption has been that Palestinians would sit at the peace talks as part of the Jordanian delegation, and that the parties thus could sidestep direct dealings with the Palestine Liberation Organization. Now Jordan seems to say that it will not press for a delegation including Palestinians, and that the PLO is free to make its own way. If that holds, Israel and the United States will have to confront the nastiest of questions: Should the PLO have an independent place at the bargaining table?

Most Arab leaders disdain Yasser Arafat and the PLO. Yet they continue to insist that these are the sole legitimate representatives of the Palestinian people. Palestinian leaders on the West Bank and in Gaza do not look to the PLO to show the way in war or peace. Yet they dare not negotiate in any manner without PLO permission — as Secretary of State George Shultz learned the other day when no Palestinians showed up for a scheduled meeting.

King Hussein of Jordan has tried for three years to displace PLO power in the occupied territories, without any real success. The truth is that even when Jordan went through the motions several times of finding independent Palestinians to participate in a Jordanian negotiating delegation,

they all had to have Mr. Arafat's approval. For all the PLO's ups and downs, no serious Middle East peace talks can be held without PLO participation in some fashion. At the same time, the PLO still calls for the destruction of Israel in its very charter. The PLO is still a terrorist organization. While it has made noises over the years about accepting United Nations resolutions that call for coexisting with Israel, Mr. Arafat broke that barrier, chances are he would not remain PLO chairman much longer, which explains why Israel places no credence in serious negotiations with that organization.

Thus, Israel and the United States can't negotiate with the PLO and can't negotiate without it. What can be done, then?

The only sensible course, and it is not a good one, is the old one: Refuse to deal with the PLO unless it changes its charter and clearly accepts peace with Israel; and keep trying to work with West Bank and Gaza Palestinians. Their independence from the PLO is a fiction but a useful one.

Until the PLO summons the courage and wisdom to accept peace with Israel in return for some kind of Palestinian homeland, it would be folly for Israel to bargain. But if the PLO were willing to make that deal, it would be folly for Israel not to embrace it.

— THE NEW YORK TIMES.

## The Empire Stirs

Just two weeks ago Mikhail Gorbachev was saying that the question of how the 100-plus Soviet ethnic groups or "nationalities" get along is "the most fundamental, vital issue of our society." He had some generalities at the ready, hailing "Soviet patriotism" while decrying "nationalism," "chauvinism" and "attempts at self-isolation" — the familiar Kremlin warnings to minorities that think of challenging (Great) Russian domination or confronting each other. As he spoke, nationalistic demonstrations had just taken place in the Baltic region, which was brought forcibly under Communist rule only in World War II. Earlier there had been protests in Soviet Central Asia. Now there are demonstrations and riots in the Caucasus, where the Bolshevik regime subdued the briefly independent republics of Armenia, Azerbaijan and Georgia after World War I.

It is not simply that the Soviet Union is as vulnerable as any other multinational country to the worldwide reassertion of ethnic concerns, a passion that time and again has shown its contempt for lines drawn on the political map. As the inheritor, expander and still the possessor of the world's largest land empire, the Soviet Union is more vulnerable. "Nationalities policy" has taxed the Soviet regime from

the start. The Gorbachev version has combined the traditional assertion of centralized Great Russian power with modest nods to ethnic feeling. For Mr. Gorbachev there is a new twist: The decentralization called for by his economic reform gives these restless people a place to exert pressure. Then there are the Islamic currents stirred in the Soviet Union's fast-growing Central Asian Muslim republics by the war in Afghanistan and by revolutionary Iran. Events in Armenia and Azerbaijan are forcing the pace. He has had to send troops to enforce a curfew imposed to halt rioting and, meanwhile, is receiving protest leaders and promising a policy review.

The Central Committee was already vigorously debating the overall Gorbachev policy changes. The new unrest will intensify the debate: It touches sensitive chords of political and territorial integrity and of the legitimacy of control by a Great Russian population that is itself becoming a minority. The extent to which his Kremlin foe will be able to use this issue to undermine Mr. Gorbachev is the key question. The issue has that explosive potential.

— THE WASHINGTON POST.

## Toward a Trade Bill

What the House and Senate passed separately added up to 2000 pages of trouble. The trade bill, it is called, but anti-trade is more like it. Now the conference charged with reconciling the two versions has started to hack away much of the blatant special-interest mischief. The conference's tentative agreement sets a welcome tone and gives promise that nuisance provisions will not slip through unnoticed. But there is hard bargaining ahead to ensure that the final bill is not destructively protectionist.

Credit the good start to the chairmen of the two committees primarily responsible for trade, Representative Dan Rostenkowski and Senator Lloyd Bentsen. Both want a bill that President Reagan will sign, not a veto for Democrats to flog as a campaign issue. So far, so good. But this immense conference contains 17 subgroups, and only one has made real headway.

Conferees are tackling the less fractious issues first. The provisions now slated for deletion include quotas on lamb imports and a \$365 million rebate to sugar refiners — two mainstays of protectionist baggage that will have to be jettisoned or else the result will be worse than no law at all. Even in the contentious environment of a presidential election year, the conferees have begun well — but it's too early to cheer.

— THE NEW YORK TIMES.

## Other Comment

### An Afghan Solution at Last?

Peace talks aimed at ending the Soviet occupation of Afghanistan resume in Geneva amid an unprecedented international air of expectation that they are, finally, going to succeed. By a deft piece of footwork, Mikhail Gorbachev is turning ignominious defeat into partial triumph. He has dropped his insistence that an interim government be formed in Kabul prior to withdrawal and, by this concession, has ensured that, if his troops are not pulled out by May 15, a date offered by him, he will not be blamed.

He has been aided unwittingly by Pakistan, whose staunch opposition to the Soviet occupation has earned it the unqualified support of the United States. If this latest round of Geneva negotiations collapses in disagreement, Pakistan, by making demands on what happens after the withdrawal, will have to shoulder the blame for delaying the Soviet exit. Such a price is too high. Pakistan does have legitimate anxieties about what might happen once the Russians leave, [but] the outlook seems bleak and every effort should be made to find an acceptable compromise quickly. To fail would be tantamount to an admission that a Soviet occupation is preferable to self-determination and that the Afghans should not have the right to be left to make the best or worst of their own country.

— The Financial Times (London).

### Everybody Isn't Laughing

For some people, the scandals surrounding the shenanigans of fundamentalist TV evangelists are a source of great amusement: They enjoy seeing hypocrites get their comeuppance. For many others, the scandals are a source of pain and embarrassment: Not only have they been betrayed, but their religious beliefs are now being ridiculed. In some quarters, fundamentalism is seen as undermining respect. But ridicule of others' religious views is not seemly.

— The Tennesseean (Nashville).

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## OPINION

# Again a Season of Thaw in the Soviet Bloc

By William Pfaff

BERLIN — The climate of ideological unrest in the Soviet bloc after Stalin's death was described as "the Thaw." The term better suits what is going on now in the Soviet Union and Eastern Europe. Everywhere the political ground has gone soft, the footing is treacherous, streams of melted ice feed into rivers, rivers lead to torrents — torrents like that of national irredentism and ethnic hatred in Armenia and Azerbaijan.

The earlier thaw culminated in the Hungarian revolution, and was ended by Soviet-imposed counterrevolution. This one has already led slip forces of unpredictable consequence. Mikhail

are responsible for reforming their own systems. They are confused and frightened by the ideological message from Moscow. Gorbachev speeches are censored or unavailable in East Germany, Romania and Czechoslovakia.

There is a fundamental difference between what goes on today in the Soviet Union and in Eastern Europe. Moscow's reform program responds to a new generation of officials who have grasped the plight of their country. Rather than challenging the West, they see the Soviet Union falling away from the standards of the West toward those of the Third World. They see its principal Asian neighbors, China and Pakistan, as being increasingly dynamic, while the Soviet Union has been in absolute economic decline.

Thus perestroika and glasnost evoke commitment from these people, who control the system of government and are determined to reform it in order to change their country. It is different in Eastern Europe. The dynamic elements of society there mostly are not in the party or government but in the opposition — or have withdrawn from, or been driven out of, the political arena.

Even where the ruling establishment does include men and women ambitious for their country, they know that to "restructure" communism is not the answer. The answer is to throw out the whole clumsy, irrelevant apparatus of Communist ideology. Soviet Russia has nothing to say to them. The Soviet economic model is regarded as retrograde. Moscow doesn't even have money to help them. West Germany just stepped in to save the Hungarian economy from bankruptcy, in exchange for political concessions. Bonn heavily subsidizes East Germany, again for political concessions and

because the West Germans feel responsible for the well-being of the East German people.

But changes are taking place in Eastern Europe, despite what the leaders plan or fear. Mr. Gorbachev's initiatives have changed the psychological as well as the political climate. Autonomously established political and religious forces are established in Poland, East Germany and Hungary, strong enough for governments to have to accommodate them. Economic forces are at work to reestablish Germany in its historical role at the core of the Central European economy. Countries culturally part of the West — part of Roman, Roman Catholic, Reformation, Enlightenment Europe — are gravitating westward again.

People are talking about political solutions to the problem of East Europe's security relationship to the Soviet Union. The idea of "limited participation" in the Warsaw Pact has been floated. If Norway, Iceland, Denmark and France all can belong to NATO in limited ways, why can't the same thing exist in the Warsaw Pact?

The six Balkan countries, Communist and non-Communist, have just conferred on regional problems in Belgrade, on Yugoslavia's initiative, ignoring ideology. The improbable star of the affair was the foreign minister of Albania, Reis Malije, who said intelligent and constructive things (in old-fashioned diplomatic French) about the ethnic and national problems of the region. Further meetings are planned.

The situation in the Soviet bloc is one of intense change and no little risk. Nonetheless, for the first time in recent years it is possible to feel some optimism. Thaws are halted by sudden falls in temperature. Even when that happens, though, the landscape is not what it was before.

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### People know that to 'restructure' communism is not the answer.

Gorbachev could suffer the fate of Nikita Khrushchev. Yet, like Mr. Khrushchev, he would have left a better world than he found.

Mr. Gorbachev had no choice but to run the risks of national and communal passions in the non-Russian republics of the U.S.S.R. The Asian republics long ago fell into a corrupt quasi-autonomy, run for the benefit of local party chiefs, riddled with bribery and waste. It was said in Leonid Brezhnev's time that he was " czar of Moscow," but czar only of that. Asia was run by Asian party stragglers with whom Moscow had to bargain.

Mr. Gorbachev attacked this system, firing the corrupt and putting his own men in to rule — men who mainly are ethnic Russians. National and ethnic resentments have been reawakened or intensified by this reassertion not merely of centralizing power but of Russian power.

In Eastern Europe the problem is the opposite. The ruling Communist elites have been told that

# Takeovers: Europe Joins the Rough and Tumble

By Peter Paul Mullen

NEW YORK — After years of hesitation, European business is beginning to join in the rough and tumble game of international corporate mergers and acquisitions. The impact of this will be felt especially in the United States, where Wall Street is expecting a host of aggressive Europeans to be shopping for U.S. companies this year.

But just as Europe is developing an appetite for corporate acquisitions — a practice truly made in the U.S.A. — America's own taste for takeovers may be on the wane.

Major new European inroads into U.S. boardrooms will cause political sparks in the United States that may soon lead to greater restrictions on takeover activity, and possibly to new limits on foreign acquisitions in the United States. Over the longer run, this may force changes in European merger and acquisition laws, as American politicians insist that U.S. companies enjoy reciprocal freedom to acquire companies in Europe.

The main impetus behind Europe's current interest in U.S. acquisitions is old-fashioned bargaining. With the lower dollar and the stock market crash driving down the price of entry, the traditional attraction of America as a market unparalleled in size and wealth is all the more alluring.

But the expected wave of acquisitions by European, and especially Continental, companies reflects more than just falling prices. It reveals in recent change in European business values and attitudes that is making even "hostile" acquisitions more acceptable in Europe.

For years, the United States has been much more hospitable to cor-

porate acquisitions activity of all types than Europe. In the 1980s, companies and raiders have used mergers and acquisition techniques to restructure American industry — dismantling unwieldy conglomerates, joining complementary operations or replacing ineffective managements. Even the most traditional elements of corporate America have

that are expected to appear when trade barriers within the European Community come down in 1992.

The most telling sign that attitudes are changing is the participation of Continental companies in hostile takeovers. Cross-border attempts, such as the bid by BSN, the French food group, for Générale Biscuits, and Italian financier Carlo de Benedetti's bid for Société Générale de Belgique, are becoming more frequent. Already this year several established European companies, including Hoffman-La Roche and BAT Industries, have launched unsolicited takeover bids in the United States.

It is ironic that while Europeans are becoming more "American" in their acceptance of acquisitions, Americans are becoming less enthusiastic. Many prominent political and business leaders in the United States question the benefits of takeover activity to society.

An unlikely coalition of business executives and workers, decriing the disruptive side effects of takeovers (such as plant closings and short-term thinking in corporate boardrooms), has persuaded many legislators that mergers and acquisitions, and especially hostile takeovers, should be regulated more closely. Thus the U.S. Congress has been considering, and many states have adopted, legislation intended to place more roadblocks in the path of corporate acquisitions.

The anti-takeover forces are finding their hand strengthened by the increasing role of foreign companies among the acquirers. Many Americans are suspicious of the growth in

Anti-takeover forces are strengthened by the growing presence of foreign companies among the acquirers.

come, if reluctantly, to accept acquisitions and takeovers as an integral part of business strategy.

Europe has been slower to accept the legitimacy of corporate acquisitions activity. Not so long ago, European executives considered "merger mania" a uniquely American phenomenon, a shortsighted, costly shuffling of assets that distracted U.S. managers from the task of raising industrial productivity. Recently, though, European business has begun looking more favorably on corporate acquisitions. Under increasing competitive pressure, especially from abroad, European companies have felt the need to reposition themselves, to gear up for tough, worldwide competition in the years ahead. European companies are also preparing for new growth opportunities

foreign acquisitions and investments. With the competitive problems of the U.S. economy hitting home harder than ever, America is more sensitive to what many perceive as its economic decline. Foreign investment and control of U.S. enterprises symbolize that decline.

So there have been calls for legislative restrictions on foreign acquisitions and investment. A proposal in the trade bill now before Congress would empower the president to invoke national security concerns to block foreign acquisitions.

Another theme often heard is that the principle of reciprocity should govern foreign acquisitions in the United States; that is, these should be restricted if the acquirer's home country imposes restrictions.

The United States will remain the world's most free-wheeling acquisitions market for the near future. By availing themselves of America's openness, European companies will be contributing to the growing political movement to limit takeovers. And if the United States succeeds in demanding reciprocity in acquisitions law, as it has in some respects during the recent free trade talks with Canada, the Europeans may also find that their spending spree in America has the long-term consequence of exposing them to takeovers by U.S. companies.

The writer is executive partner at Skadden, Arps, a New York-based international law firm that has been involved in mergers and acquisitions on both sides of the Atlantic, and chairman of the board of Georgetown University. He contributed this comment to the International Herald Tribune.

# Foreign Policy, Too, Is Riding the Campaign Trails

By Richard Reeves

NEW YORK — George Bush knows a great deal about foreign affairs, and you may not know much at all. So it should not come as a surprise that he isn't much persuaded by the average voter's views on such things as war in Nicaragua, the 300,000 American soldiers stationed in Europe or the presence of U.S. warships in the Gulf.

On the day after the House of Representatives voted to end aid to the Contras in Nicaragua, I was with the vice president in Des Moines, Iowa, at a breakfast with a group called "Business for Peace." He avoided mentioning Nicaragua in a short speech, but the first question from the floor zeroed in on the public's role in U.S. foreign policy.

"Now that the will of Congress has caught up with the will of the people about the Contras..." began Edward Thomas, a local accountant. Mr. Bush heard him out politely — Mr. Thomas was obviously anti-Communist — then answered "roughly" that most of us. They tend to be hard-line anti-

Communist. For instance: In a survey conducted by the Chicago Council on Foreign Relations to compare the attitudes of "leaders" and the public on whether the United States should intervene militarily if North Korea invaded South Korea, 64 percent of "leaders" would send troops, but only 24 percent of the public would approve of that.

Mr. Thomas, a registered Republican, would not approve, I'm sure. "We've really moved from public opinion to public judgment on the Contras," he said to me after listening to Mr. Bush. "If you believe in democracy, you believe that 10 heads are better than one. We have to move toward foreign policy that adheres to the same values and code of conduct both inside and outside the country — like respect for law, for example."

Whatever his personal experience, Mr. Thomas certainly spotted America's great, unimpaired, decision-making expertise. American foreign policy is the province of very few people — 2,000 or 3,000 people, former President Richard Nixon estimated when I asked him once.

They are a self-selected elite. They are the people who really care about and work to understand foreign affairs, so they make the policy. They are the last governing aristocracy in America — a club, even if almost anyone smart enough and determined enough can break into it.

No members, however, can be interesting as well. One of the extraordinary things about this year's presidential election is that the leading Democratic candidates (with the possible exception of Albert Gore Jr.) are not part of that elite. Michael Dukakis, Richard Gephardt, Jesse Jackson and Paul Simon are foreign policy outsiders.

I left the Bush campaign that day to join Mr. Dukakis at a high school outside Des Moines. The first question he was asked there was about what sort of foreign policy he would shape. "What I want is a foreign policy that reflects American values," he answered. "Human rights, respect for law, respect for human life."

That is not the "tough" answer — at least not the answer of the people and attitudes that have dominated American foreign policy thinking since World War II. There is some indication, however, that many Democrats are serious about trying to redefine national security issues. Mr. Dukakis was highly critical of U.S.

policy in Central America. "The legacy of our interventions there," he said, "is decades of tyranny."

Mr. Gephardt's emphasis on trade policy, for another example, is really an assertion that the United States lost out preparing for World War II while its allies were mobilizing their people for trade wars.

The Democrats are arguing, in effect, that there is no longer any separation between domestic and foreign issues and policy. The issue is simply America's place in a changing world.

"Economic issues and security issues dovetail now," Mr. Gephardt told me the other day. "Prosperity and growth at home merge with questions about our military presence in Europe and Asia, and with arms control. I just don't believe that we can engage in another arms race and grow economically at the same time."

The Missouri congressman seems to sense that getting tough on trade wars might be the emotional equivalent of old-line, hard-line Cold War toughness. If Mr. Gephardt turns out to be right about that, or if Mr. Dukakis's Carteresque "human rights" thinking catches public opinion at the right moment, this will be an extremely important election in determining America's role and responsibility in the 1990s.

United Press Syndicate.

### GREAT QUESTION IN MODERN DIPLOMACY:



# Intervening Usefully In Panama

By Flora Lewis

PARIS — To intervene or not to intervene? That really is not the question. The litany ensnaring non-intervention as a principle of Western Hemisphere relations arose from the U.S. dispatch of armed forces and twin gunboat diplomacy, and on that level the taboo is clear enough.

But the idea of absolute national sovereignty on which it is based took firm hold in the post-World War II era when it was already becoming obsolete. Even as former colonies and pseudo-colonies were asserting their right to total independence, the facts of international life were vastly increasing the ways countries intrude upon and depend upon each other.

A Harvard political scientist, Stanley Hoffman, noted in a recent article: "In Central America there has been particularly difficult for American researchers, for the foreign policy establishment and even for the public (remember the polls over the Panama Canal negotiations) to accept the equivalent of decolonization."

That insight is even clearer now, as Washington maneuverers to force out a Panamanian strongman who was a collaborator but has turned into a perceived menace, although it seems it would be counterproductive to use the abundant force on hand to topple him.

But that is only the crudest, old-fashioned form of intervention. Some new kinds have come to be considered normal, even desirable.

Human rights, such as the way a government treats its citizens, is now accepted on the international agenda as reason for one government to pressure another. Even the Soviet Union no longer claims that to raise the subject is to interfere with the sovereign right to run a country as the regime sees fit.

The expansion of trade, communications, transport and the world financial network have created new means for exerting pressure. Economic and military aid has created new dependencies that are used in the most straightforward ways short of direct rule.

Few would argue that a U.S. policy favoring democratic regimes where they dare to emerge is an unacceptable form of intervention. In fact, the cry for help. Failure to oppose cruel dictatorships, sometimes justified as due regard for sovereign rights, is in fact a form of support for the oppressor so long as they do not get in Washington's way. Doing nothing is a kind of intervention, especially when the United States claims the right to pick and choose which repressive regimes should go and which may stay.

In the other direction, aren't those government authorities who help and profit from the vast flow of narcotics to the United States intervening in its domestic life? So long as the United States fails to halt the demand, supplies will force their way through to fabulous drug riches. But surely the United States can expect friendly governments that benefit from U.S. aid to do their best to block supplies.

General Manuel Noriega has counted on traditional Latin resentment of being shoved by Washington to provoke support for him. So far only Cuba and Nicaragua have obliged, and that only verbally. The other countries have little taste for backing a military ruler, especially one with such a reputation in the name of Latin solidarity. This could be called intervention or non-intervention, according to the viewpoint, but it accepts the need to judge.

There have been signs of a growing Latin urge to advance responsibility for the region's destiny, neither for nor against the United States as in the old rigid formula, but in terms of regional needs. The Arias peace plan for Central America is an example. Like most ideas in the area, it cannot get far without U.S. cooperation.

Unfortunately, the United States has done a lot to increase the power of the military in Central America, the perverse result of working to professionalize into national armed forces what were not much more than feudal private armies. Said a Panamanian opposition leader: "It was you Americans who brought our military into politics" by urging a Vietnam-type Win the Hearts and Minds (WHAM) civic action campaign that led to classic Tammany Hall style politics.

Good intentions bring unforeseen results. Good or bad, U.S. intentions have a heavy impact. It is time to stop the pretense of what is and is not intervention and to accept that the countries of the hemisphere must live alongside each other and bear a mutual responsibility for their future. The question is not whether to intervene; that happens inevitably. It is how and to what purpose.

The New York Times.

## 100, 75 AND 50 YEARS AGO

### 1888: Mind Your Flock

LONDON — The Bishop of Exeter has presented a petition to the Upper House of Convocation of Canterbury "giving away" London's naughtiness [on the Sabbath], which is said to comprise formal dinner parties, smoking concerts, theatrical performances, comic recitations and amusing programs of fun and frolic, exhibitions of jugglery, parades in Hyde Park, coach drives, the "Sunday on the river," boxing at the Pelican Club, lawn tennis, dancing at clubs and private houses. The Bishop of London was not present when these awful charges were brought against His Lordship's flock. But today [March 2] he turned up and told the worthy members of the Upper House of Convocation that his sheep were no blacker than any other Bishop's sheep. He hinted that when any of the members of his brother Bishop's flock wanted to be naughty, they came up to London to go on a "bust." So he wasn't responsible.

### 1913: Fleet Gathers

CONSTANTINOPLE — The arrival of the Austro-Hungarian cruiser Elisabeth [on March 2] brought the contingent of foreign war vessels anchored in the Bosphorus up to 14. The nations are represented as follows: Russia, three; Italy, France and Great Britain, two each; Germany, Austria-Hungary, Holland, Spain and Roumania, one each. The commanders have made elaborate preparations to quell immediately any disorder that might arise in the city and to protect foreign residents there.

### 1938: Trotsky Objects

MEXICO CITY — The "purge" trial of twenty-one former Soviet officials, which started [on March 2] in Moscow, is the "grandiose messianic and delirium of a lunatic armed with enormous power." "Trotsky declared here tonight. 'The accusations are saturated with the spirit of proletarian ideology,' he said.

OPINION

Drugs: Call Off the 'War' And Manage Coexistence

By Edwin M. Yoder Jr.

WASHINGTON — So now a dumb war on drugs, having failed at home, is going international. As usual, doubling the effort will square the error.

The error is theoretical. Indeed, it resembles the long battle to hold modern astronomy at bay. Centuries ago, philosophers decided for mystical reasons that planets had to be moving in circular orbits, as the telescope suggested. Circles symbolized perfection; they were the moral way for planets to move. But supposing so did not eliminate the fact of elliptical orbits.

U.S. drug-fighting policy reminds one of that ancient war against the order of nature. And nothing has more sharply focused its futility than the recent continuing comedy in Panama, starring General Manuel Antonio Noriega.

For years, General Noriega was a U.S. hero, lauded by the Drug Enforcement Administration for his bold leadership against drug traffic. Whoever was kidding him, the arrangement soured when prominent Panamanians fingered the general as a drug trafficker. And the facade collapsed completely the other week when a Florida grand jury indicted him. So much for the hero.



Why that is so (except in the case of heroin, which is almost exclusively a ghetto drug) is uncertain. If all the money, rhetoric and energy now poured with high-minded fury into the suppression of the drug traffic, in the United States and abroad, were turned to education, medication, counseling and — yes, let's say it up front — state-controlled dispensation, what would happen? Would things be worse? There would be a price. Society, as a legal supplier of drugs, would stop

as it does in the case of alcohol — to the open recognition, maybe even assistance, of destructive habits. The major benefit would be to remove the premium on smuggling and black marketing that entices thugs like General Noriega and his counterparts in the United States. A monumental incentive to collateral vices surely not less loathsome than drug addiction — political and police corruption, racketeering, smuggling, murder, gang warfare — would be removed. And surely there

would be some satisfaction in seeing the drug profiteers impoverished, their ill-got gains rechanneled to constructive public uses, including rehabilitation. Finally, there would be less occasion to subordinate vital national interests, such as the political stability of Latin neighbors and the navigability of the Panama Canal, to the vain attempt to suppress an insupportable traffic which stupid U.S. policy helps make a gold mine for assorted thugs of the Western Hemisphere.

When Champ Plays Patzer, Mercy Isn't the Game Plan

By Harold C. Schonberg

NEW YORK — How does a patzer feel while he is playing Garry Kasparov, the chess champion of the world, in a simultaneous exhibition? He feels nervous. Scared. At the end, he is in a state of shock.

On Feb. 23, Mr. Kasparov, in New York for a brief visit, played 32 boards at the Casa de España. Against him were chess players ranging from patzer to master and international master. The champion started moving pieces at 6 P.M. He was finished at 9:07. The result: 28 victories, 4 draws. I was not one of the four. I had never

in a position comparable to mine. They wanted to brag that they had lasted 25 moves against the champ. I had a moral victory of sorts. I was not the first to resign. Mr. Kasparov smashed half a dozen or so before me. Mr. Kasparov was terrifying as he raced from board to board. He is an athletic young man, medium-sized, strongly built, handsome, hirsute, neatly dressed, with an air of complete, menacing authority. He looks older than his 25 years. He was perpetual motion at the simul.

Even against the best players, the champion spent hardly more than 10 seconds on a move. Against the patzers his moves came instantly. In a simul, the players have the black pieces. They are obliged to move when the grand master comes to their board. Mr. Kasparov's strategy soon became clear. He did not want the strongest players to have too much time. Hence his speed. And when he approached the boards he expected an immediate move from his opponent, becoming irritated if there was any hesitation. After the last game was over, some of the experienced players, discussing the simul, marveled at Mr. Kasparov's ability to synthesize everything with incredible speed and always come up with the strongest move. Mr. Kasparov himself said it was a strong simul and mentioned such players as the international master Jay Bonin, who lost, and Pablo San Segundo, the 18-year-old junior champion of Spain, who drew. They were the highest-rated players in the simul. The candidates' matches for the next world championship will begin shortly, and the one who comes out on top will play Mr. Kasparov. Who, I asked him, has the best chance of winning? "I don't want to talk," Mr. Kasparov said. "Karpov has good chances. But anything could happen."

LETTERS TO THE EDITOR

President Waldheim: Symbol and Burden for Austria

As an Austrian, I was aroused to indignation by A. M. Rosenthal's column (IHT, Feb. 24) on Kurt Waldheim being referred to as Austria's "long time" reference to the "Viennese record of hypocrisy" is as inaccurate as it is offensive.

is precisely what Austria deserves for its image, he should not step down. He should remain as a reminder of Austria's past — which it has always refused to face, just as it has refused to make any meaningful reparations.

How to judge today the ethical standards of the German Army in the Balkans some 45 years ago. The crisis of Austria's national identity from 1918 to 1945. Whether Austria will remain the easternmost country of the West or become the westernmost country of the East.

Mr. Waldheim's tenacity in the face of pressure to resign is remarkable. Or is he once again, as in his army days and perhaps during his stint as United Nations secretary-general as well, not capable of free choice? Could it be that he is under orders to remain president of Austria because it serves the interests of some country or bloc?

In all probability, Kurt Waldheim is not a Soviet agent; he probably is not even in Moscow's pocket. Yet Austria's present plight plays into Soviet hands. The Waldheim case has compromised Austria, poisoning the political climate at home and abroad. Mr. Waldheim has paved the way to be succeeded by an amenable Social Democrat.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Not that I feel sympathy for Mr. Waldheim — how can one? — but I wish to remind Mr. Rosenthal of one of the main reasons why Austrians elected Kurt Waldheim to high office. Austria had been a leading force in Europe and a great power for centuries. After 1918, its body was reduced to a torso, unable to manage alone either economically or politically. Mr. Rosenthal surely recalls that by the 1930s Austria's economy had sunk to nothing, with an unemployment rate among the world's highest. The need for assistance was responded to only by neighboring Germany. This is the most realistic explanation of Austria's readiness for Anschluss, not the "plec and profit" referred to by Mr. Rosenthal.

At a time when most Austrians are too young to have had any responsibility for the terrible events of World War II, to blame pro-Nazi attitudes of the past on Austria rather than, more appropriately, on Austrian Nazis is an exercise in the literature of hate.

The Waldheim affair no doubt will discourage other public figures with secrets in their pasts from commenting on Israeli actions in the occupied territories and elsewhere.

Mr. Waldheim is not Austria, nor is Mr. Bronfman the world. It is not the world condemning Austria, but the World Jewish Congress. This makes quite a difference. There already seems to exist a majority of Austrian voters wanting Mr. Waldheim to resign — oo

Mr. Waldheim's debate is really the sum of at least six separate issues: Mr. Waldheim's credibility.

These seven sections, beginning Friday March 25th, will highlight the following important subjects and industries:

After a fresh defeat in 1945 and in the

after his hidden past became known. He

Mr. Waldheim's debate is really the

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Mr. Waldheim's credibility.

These seven sections, beginning Friday March 25th, will highlight the following

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Intervening Usefully In Panama By Flora Lewis PARIS — To intervene in a... 50 YEARS AGO 1913: Fleet... 1938: Trotsky... MEXICO

THE NATO SUMMIT: The alliance outlines its approach to negotiations on Soviet conventional arms superiority in Europe

2 U.S. Legislators Assail Allies For Not Paying NATO Share

By George C. Wilson
Washington Post Service
WASHINGTON — Two key legislators have displayed impatience with the unwillingness of European NATO partners to pay more for defending the alliance.

Frank C. Carlucci, who Tuesday was making his first appearance before the committee, that the imbalance was particularly grating "at a time we're dealing with a fiscal crisis."

The defense secretary, who in November warned NATO allies in Brussels that there had to be a new division of labor, chose in stress the positive, declaring that "90 percent of the ground forces come from European countries."

France Returns to NATO With Political Pas de Deux

BRUSSELS — France is participating fully in a NATO summit meeting for the first time in nearly 25 years, and as if to make up for lost time, it is represented by two leaders instead of one.

Chirac is portrayed as closer to Britain and the U.S., while Mitterrand is seen as sympathetic to the views of the West German foreign minister.

Organization, is to sound enough alike to articulate a French national position and yet sufficiently different to burnish their images. This proves easiest in photographs, where neither has to speak.



President Ronald Reagan, talking to the NATO secretary-general, Lord Carrington, used a device to turn up his hearing aid before the opening of the alliance summit meeting in Brussels on Wednesday.

NATO: Western Leaders Outline Proposals for Talks on Conventional Arms Cuts

(Continued from Page 1)
by and Mr. Gorbachev's offers of further disarmament talks. Mrs. Thatcher at one point threatened to hold up the statement on conventional arms control, but relented because, diplomats said, NATO leaders agree on the need to show Western momentum to seeking to ease military tensions.

In a phrase that Mr. Keel said was designed to "keep the Soviet Union from going through the back door to get our dual-capable nuclear arms like aircraft," NATO governments agreed that they "will neither make nor accept proposals which involve an erosion of the allies' nuclear capability."

West Germany, the leader of Western European nations seeking fast and far-reaching disarmament, reaffirmed Wednesday that it was not seeking to remove all nuclear weapons from its territory.

Foreshadowing the detailed Western proposal, the statement called for the Soviet Union to accept "equal ceilings" on NATO and Warsaw Pact forces.

Kremlin Confirms Deaths in Rioting

By Philip Taubman
New York Times Service
MOSCOW — A Soviet spokesman confirmed Wednesday that an unspecified number of people were killed during nationalist rioting Sunday in the southern Soviet city of Sumgait.

The disturbances have been among the most serious outbreaks of nationalist unrest since consolidation of the Soviet Union in the early 1920s. Government officials in Baku, the Azerbaijani capital, said Wednesday that hundreds of Azerbaijanis fled from their homes in Armenia during the disturbances last week and now needed assistance.

violence flared across the two republics last week. Last week, the government confirmed that two persons were killed and several dozen injured during nationalist unrest in the two republics.

talkings to officials in the region who had provided information about the protests in recent days. The demonstrations began Feb. 13 in Stepanakert, then spread a week later to the Armenian capital of Yerevan, where hundreds of thousands of Armenians gathered downtown daily in the largest nationalist demonstrations witnessed in the Soviet Union in decades.

Iraq Says Missiles 'Pound' Tehran And Strike Qom

BAGHDAD — Iraq said it fired another missile at Tehran on Wednesday evening, the 22d it had launched against the Iranian capital since Monday. The military command in Baghdad also said it fired two missiles Wednesday into Qom, one of the holiest Shiite Moslem sites, 90 miles (150 kilometers) southwest of Tehran. Iran said one missile fell on Qom but caused no casualties.

Worldwide 'Big Business' of Drugs Expanded in 1987, U.S. Study Finds

By Elaine Sciolino
New York Times Service
WASHINGTON — The production of coca, marijuana and opium-poppies crops in most drug-producing countries grew substantially in the last year and is beyond the ability of any single government to control, according to a State Department report.

Rather, the report says the burgeoning demand for drugs outside North America, particularly to some countries involved in production and transportation, such as India, Pakistan and some Southeast Asian countries, has contributed to increased production.

juana crop increased by 26 percent, and the opium crop by 18 percent. In 1986, there was a much-publicized effort in which U.S. troops helped Bolivian authorities try to shut cocaine processing labs. But the report said that cocaine trafficking surged again after the operation ended.

RIOTS: 'Glasnost' Is Seen as Cause of Soviet Unrest

(Continued from Page 1)
succeeded at all. The central question is whether he will get enough time. President Ronald Reagan, according to one aide, said after he started the talks last December that Mr. Gorbachev looked like a man who was "scared to death."

member, when one of his closest supporters, Boris N. Yeltsin, lost his position as the leader of the Moscow party organization. A few days ago, he also was dismissed as a nonvoting member of the Politburo, but Mr. Gorbachev filled the vacancy with two more allies.

applaud," one conservative Reagan administration official said. "But we'd also say, 'Watch out — this Kremlin rug salesman is going to try to parlay the new situation into a denuclearization of Europe, a new role for the Soviet Union in the Middle East, and so on.'"

But in the national press there has been no mention of the magnitude of the demonstrations in Yerevan, the fact demonstrations continued this week in Nagorno-Karabakh or word that a number of people were killed and injured during last week's protests.

GULF: Concern Grows

(Continued from Page 1)
tion of international involvement in the region. That escalation began with last year's deployment of a Western naval armada in the Gulf, in tandem with an American-sponsored effort to the United Nations to force a cease-fire.

POLAND: Anti-Semitism Review

(Continued from Page 1)
ated the party as an institution as well as its former leader, Wladyslaw Gombulka. It also repeated 20-year-old charges that the student protests were manipulated by "anti-Communist and cosmopolitan" youth.

Child of UN Diplomat Returns to Zimbabwe

WASHINGTON — The 9-year-old son of a Zimbabwean diplomat who had been accused of abusing the boy has been returned to Zimbabwe, according to a report published Tuesday.

MILLIONS: Lotto Winners Seek Safety in Numbers

(Continued from Page 1)
noted that only 10 of 20 millionaires had paid their dues and left it at that. There was much discussion about the state's plan to create big jackpots by expanding from 48 to 34 possible numbers. Rosetta Montalbano (\$1.7 million) was opposed. "Having one \$40 million winner isn't good," she said. "It's better to have a lot of small win-

ners. Over \$10 million is a waste. This is exploitive!" Some thought it useless to protest, but Mrs. Montalbano said, "They put 'Cagney and Lacey' back on TV because people protested." They decided to wait until they had more members. "Once we're stronger," Mr. Nastic said, "we can go after big issues, like making winnings tax-exempt."

The group's new lawyer, David Kreitzer, and the new accountant, Mr. Argila, gave brief speeches introducing themselves. They both smiled a lot. "I'd like to say I have a lot of enthusiasm for your organization," Mr. Argila said.

When a car alarm went off, several rushed to the window, looking out among the Mercedes and Jaguars. A former bus driver ran out to his car and was relieved to find it a false alarm.

Second, the Arab solidarity that Iraq had won was partly undercut to December, when Gulf Arab leaders met and Saudi Arabia's King Fahd encouraged Syria to open negotiations between Iran and the Gulf Arab states aimed at reducing tensions in the "tanker war" that was threatening the economic interests of the Gulf Arabs.

Third, the drive by Western and Arab states to force an arms embargo vote in the United Nations against Iran lost steam as the Security Council turned its attention to the Palestinian uprising in the Israeli-occupied territories.

Ban on Satellite Arms Is Worthy Goal, U.S. Command Officer Says

By R. Jeffrey Smith
Washington Post Service
WASHINGTON — A senior military official at the U.S. Space Command, the likely operator of any U.S. shield against Soviet ballistic missiles, described a ban on weapons in space Wednesday as "a damn worthy goal" that should be pursued in U.S.-Soviet negotiations.

space weapons ban and his potential responsibility for operating SDI weapons aimed at destroying Soviet boosters. "I strongly favor continued search on SDI, which has kept the Soviets at the negotiating table," Admiral Ramsey said.

Admiral Ramsey's remarks appeared to put him at odds with the Reagan administration's longstanding drive to obtain Soviet approval for the Strategic Defense Initiative, the future U.S. deployment of a missile defense shield involving hundreds and perhaps thousands of weapons in space.

LONDON — The British government has withdrawn its objection to a radio program that included interviews with intelligence officials, the British Broadcasting Corp. said.

U.K. Withdraws Ban On BBC Spy Program

Prime Minister Margaret Thatcher's government won a court order in December preventing the broadcasting of the first program in the planned three-part series, "My Country: Right or Wrong." The government withdrew its objections to the program after its lawyers received a transcript of it from the BBC.

U.S. Army Tests Banned

A federal judge in Washington has ruled that the U.S. Army's mandatory random drug testing of civilian employees to so-called critical positions is unconstitutional and ordered the tests halted immediately. The Washington Post reported from Washington.

SCIENCE

Earthquake Watchers Focus on Eastern U.S.

IN BRIEF

Mastodons' Extinction Linked to Salt

LANSING, Michigan (WP) — Researchers have linked the extinction of mastodons and mammoths to the disappearance of salt licks in Michigan at the end of the last Ice Age.

Children Presume the World is Flat

WASHINGTON (WP) — Most children are not taught that the Earth is round until they are about 10 years old, according to a survey conducted for the National Science Teachers Association.

Acid Dew Studied as Possible Threat

ATLANTA (UPI) — Acid dew is not new, but only recently have researchers identified it as another potentially harmful environmental stress caused by the emission of sulfur dioxide and nitrogen oxide from industries and motor vehicles.

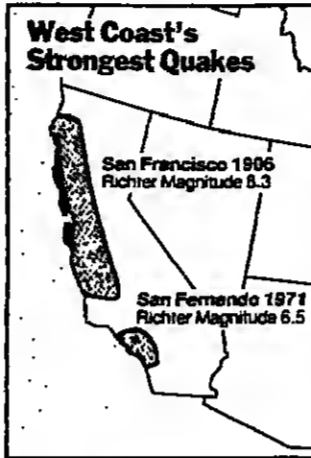
Explaining Jupiter's Great Red Spot

NEW YORK (NYT) — A spinning tub of water has convinced experts on chaotic systems that they have figured out one of the solar system's most baffling landmarks, the Great Red Spot of Jupiter.

By James Gleick

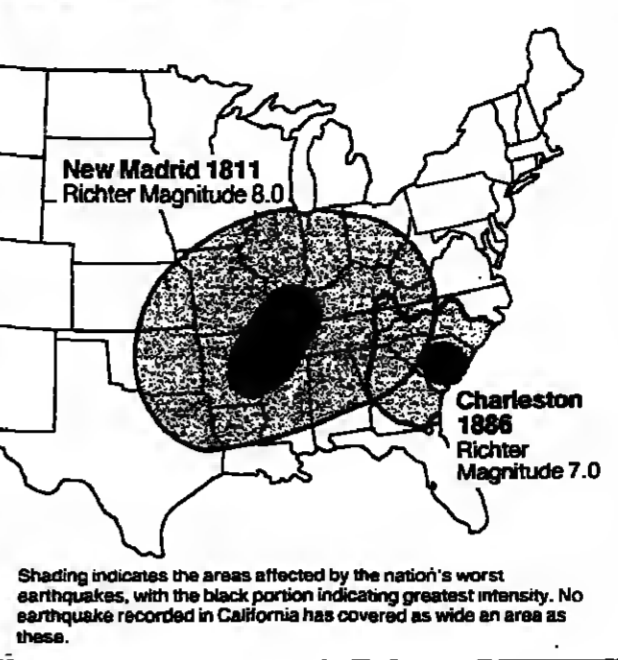
THE next catastrophic earthquake in the United States could well strike not in California but in the densely populated, highly industrialized and poorly prepared eastern states, many geologists now believe.

on the East Coast and the scanty data from known earthquakes before the 20th century.



The New York Times

Worst Eastern Quakes



The New York Times

over the last generation of plate tectonics, recognizing that the Earth's continents float across its surface on plates.

"We were distracted and we were told by theory that interiors should be quiet areas," Dr. Seeber said.

Because the middle and Eastern United States lack the obvious active faults of areas like California, geologists have found it more difficult to understand earthquakes in the Eastern United States.

Still, scientists have made some progress in formulating theories. Dr. Seeber argues that the key structures are features extending through the earth on a large scale: small fractures strewn through the crust at the East Coast all the way from northern Canada through the Carolinas.

Although the earth in the Eastern states is not split by huge faults like those at the edges of plates, an important set of fractures remain where the great continental masses once pulled apart — Europe and Africa drifting away from North and South America, opening the Atlantic Ocean in between.

Such processes may be ultimately responsible for the great historic quakes, but they do not suggest that the same sites will be struck again and again.

Government maps meant to show areas at risk for earthquakes have tended to give their attention to the sites of these great events.

"Most, if not all, of the seismic hazard estimates have assumed that, in the future, the large earthquakes are going to recur in the same locations as they have occurred historically," said Peter W. Bashern of the Geological Survey of Canada.

But many geologists now believe that the next major earthquake could just as well take place elsewhere along the coast or inland.

Last month in Australia, for example, three fairly large earthquakes struck in a single day in an area that had long seemed dead quiet.

The vulnerability of buildings, particularly in aging urban areas, is a special concern.

Computer models have shown the extreme difficulty of predicting the physics of vibrations and sudden shocks in different kinds of structures.

The greatest earthquakes ever recorded in the United States, slightly outstripping in intensity even the famous San Francisco earthquake of 1906, were a series of three jolts at New Madrid, Missouri, in the winter of 1811 and 1812.

In 1886, an earthquake struck Charleston, South Carolina, rattling buildings as far west as St. Louis and as far north as New York.

Several widely used styles of construction have proved especially

vulnerable even to moderate quakes. One category, common in New York, is unreinforced masonry: brick buildings with wood floors supported by brick walls and no steel reinforcement.

"The walls have no ability to flex in and out, so if they are forced to do that, they come apart," Dr. Poland said.

Another type of building that tends to collapse in major earthquakes, he said, uses concrete slabs supported by concrete columns, with only modest steel reinforcement.

Skyscrapers, on the other hand, are built to resist the sideways pressure of strong winds;

even there, however, the difference between force applied to the side walls of a building and unexpected shocks at the foundation can be critical.

Earthquakes also have the power to churn soil violently, as some researchers have discovered. Water-saturated soil that remains strong under most circumstances can act like a liquid under the shaking of an earthquake, creating turbulent eruptions that leave visible remains in the geological record.

One reason that seismologists have tended to focus on active fault lines like those in California and Mexico has been the development

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NYSE Most Actives table with columns: Vol., High, Low, Last, Chg.

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Wednesdays NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns: Advanced, Declined, Unchanged, etc.

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AMEX Stock Index table with columns: High, Low, Close, Chg.

Tables include the nationwide prices up to the closings on Wall Street and do not reflect late trades elsewhere.

Active NYSE Inches Upward

NEW YORK — Prices on the New York Stock Exchange inched ahead Wednesday in active trading as investors were torn between the urge to buy into a three-week rally and their desire to shore up gains made during the run-up in prices.

The Dow Jones average of 30 industrial stocks rose 0.83 to close at 2,071.29, after declining by 1.16 points Tuesday. The blue-chip index had been up more than 20 points before retrading in the afternoon.

Advances outnumbered declines by more than a 4-3 ratio. Volume totaled 199.63 million shares, down slightly from the 199.99 million traded Tuesday.

J.P. Stevens scored 7 1/2 to 5 1/2 in heavy trading on Tuesday. West Point-Pepperell offered \$50 a share to acquire the textile giant, while a management-led group raised its offer to \$55 a share. West Point-Pepperell fell 1 1/2 to 28 1/2.

consolidation could see a temporary setback in the Dow. Occidental Petroleum was the most active NYSE issue, closing unchanged at 26 1/2. Union Electric followed, off 1/2 to 24 1/2. Federated Department Stores was third on the active list, down 1 to 66 1/2. R.H. Macy agreed to acquire the retailer for \$74.50 a share in cash and securities.

AT&T gained 1/2 to 29 1/2 and IBM added 1/4 to 117 1/2. Among other blue chips, General Motors slipped 1/4 to 71 1/2, USX lost 1/4 to 33 1/2. General Electric gained 1/2 to 45 1/2 in ex-dividend trading and Eastman Kodak rose 1/4 to 44 1/2.

Oil issues declined, reflecting recent steep declines to oil prices. J.P. Stevens scored 7 1/2 to 5 1/2 in heavy trading on Tuesday. West Point-Pepperell offered \$50 a share to acquire the textile giant, while a management-led group raised its offer to \$55 a share. West Point-Pepperell fell 1 1/2 to 28 1/2.

London Index Passes 1,800 LONDON — Prices on the London stock market firmed Wednesday in fairly active trading, with the Financial Times-Stock Exchange 100-share index closing above 1,800 for the first time since October.

The FTSE index closed 26.8 points higher, up 1.5 percent at 1,808.7, with buyers encouraged by interest in some major stocks, especially international shares and insurance issues, and gains in early trading on Wall Street.

Large table of stock prices (A) with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Wk High, Low, Close, Chg.

Large table of stock prices (B) with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Wk High, Low, Close, Chg.

Large table of stock prices (C) with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Wk High, Low, Close, Chg.

Large table of stock prices (D) with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Wk High, Low, Close, Chg.

Large table of stock prices (E) with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Wk High, Low, Close, Chg.

Large table of stock prices (F) with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Wk High, Low, Close, Chg.

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Large table of stock prices (K) with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Wk High, Low, Close, Chg.

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(Continued on next left-hand page)



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THURSDAY, MARCH 3, 1988

INTERNATIONAL MANAGER

Etiquette for Executives Moving Up and Around

By SHERRY BUCHANAN

COMPANIES are hiring etiquette consultants to teach executives good manners as they move around the world or move up the corporate ladder...

Trying to understand other people's social and ethical values brings a better response.

There is no direct, measurable payoff, etiquette-conscious executives say. Knowing how to peel a mango in 50 different countries is not necessarily going to land a big order...

Marina Eloy, a Frenchwoman who is based in London as chief of personnel for J.P. Morgan's European operations, says that "many executives don't have a clue" about how to behave abroad...

TWO-HOUR sessions once a week for five weeks cost a total of 7,000 francs (about \$1,225) for 2 persons, 10,000 francs for 3 to 5 persons and 13,000 francs for 6 to 12...

Travel is not the only reason executives need social adjustment courses. Upwardly mobile executives are eager to fit in with social elites in the hope of widening their business contacts...

The eight two-hour sessions cost a cool 30,000 francs per person. Included in the price are three meals at which students learn to deal with such hard-to-handle foods as aspargus and arichokes...

Federated Accepts Macy Bid

But Campeau's Offer Is Raised

Compiled by Our Staff From Dispatches

NEW YORK — Federated Department Stores Inc. said Wednesday that its board had accepted a takeover bid by R.F. Macy & Co. over a competing offer from Campeau Corp.

Federated, the fifth-largest U.S. retailer, and Macy, the 10th-largest, signed a definitive agreement to create a new company, Macy's-Federated Inc., said Jim Fingerhuth, a spokesman for Macy.

The agreement provides for Macy to begin a cash tender offer of \$74.50 a share, or \$5.25 billion, for about 80 percent of Federated's 89.6 million shares outstanding...

The remaining 20 percent of Federated stock would be exchanged for equity equal to 40 percent of the shares outstanding in the merged company...

Campeau had offered \$68 a share in cash for all Federated shares, or a total of \$6.1 billion.

After the Macy-Federated agreement was announced, Campeau said it would proceed with a \$66-a-share cash tender offer for Federated. But a few hours later, Federated said in Toronto that it was now offering \$75 per share in cash for about 80 percent of Federated's shares.

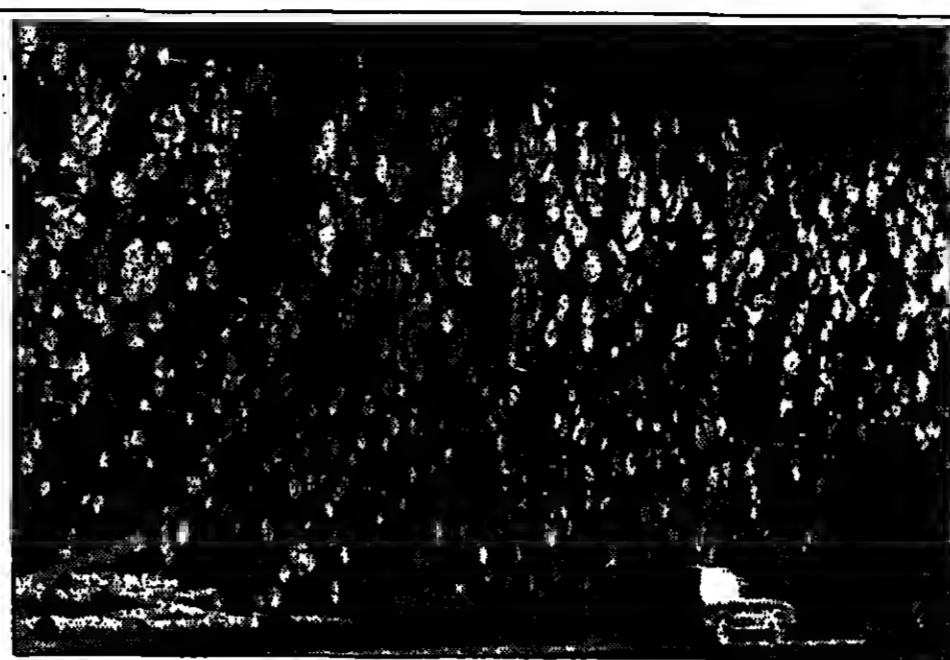
Trading in Federated stock was halted on the New York Stock Exchange before the announcement. After trading resumed, its shares declined 87.5 cents to close at \$66.875.

Some Wall Street analysts said the share price reflected uncertainty about possible government objections to the Federated-Macy deal on antitrust grounds.

The analysts said the rival bids were attractive for different reasons.

"Campeau is sitting there with cash, and Macy's walked in the door with some cash but the opportunity for the company to enjoy...

See MACY, Page 11



Stacks at a sawmill in Hayfork, another California town in which heavy logging arouses fears.

Takeover Topples Redwood Forests

Pacific's Owner Tries to Repay Debt in One Fell Swoop

By Robert Lindsey

SCOTIA, California — Thousands of redwood trees are being felled along California's wild northern coast in an environmental drama that demonstrates how decisions on Wall Street can affect people, communities and natural resources far away.

High emotions have been stirred by a decision of a Houston financier, Charles E. Hurwitz, to double the rate of tree-cutting in the nation's largest privately owned virgin redwood forests. Mr. Hurwitz says the production increase is necessary to repay \$795 million that his company, Maxxam Group, borrowed in 1985 to buy Pacific Lumber Co. here.

Pacific Lumber, a venerable California logging company, was dubbed a "Paradise With a Warning List" in 1951 in a profile by the Saturday Evening Post. It had a reputation for paternalistic policies toward employees and for harvesting timber at a pace slow enough to preserve its oldest stands of redwoods well into the 21st century.

Now, many residents contend that trees are being cut so fast that both the region's environmental quality and its economy are in jeopardy. "To pay off this big debt, they're just chewing up the environment," said John Maurer, a former employee who

resigned to protest the new policies. "And they're taking out the cream, so there won't be anything left for the future."

Spokesmen for the company, however, say the accelerated cutting is in line with common industry practice and is not environmentally unsound. They say production can be sustained indefinitely under current plans.

The Pacific Lumber takeover stands of towering redwoods never before logged.

The company is doubling its production by logging for the first time in this "old growth," which yields premium-priced lumber with few knots and more beautiful grains. And instead of cutting some trees, the company is felling all the trees in selected tracts.

Maxxam's harvesting of these trees, many more than 1,000 years old, to satisfy debts incurred in a corporate takeover has come under increasing attack by environmentalists and local, state and federal officials for more than a year. In recent weeks these critics have scored several victories.

Perhaps most notable is that many company loggers and sawmill workers, who once seemed environmentalists as "tree bugs," have joined protests against the increased harvest.

"They're just leveling everything," said Greg Garibay, a 34-year-old Pacific Lumber power plant worker. "They're destroying the future, leaving nothing for the next generation."

Environmental groups woo court decisions blocking harvest in several parcels. Two bills were introduced in the California legislature to prohibit large logging companies from cutting more

than 100 acres of forest in one of the most undeveloped regions in the United States, including vast

stands of towering redwoods never before logged.

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Factory Orders And Home Sales Decline in U.S.

The Associated Press

WASHINGTON — Orders to U.S. factories fell by 0.6 percent in January, the first such decline in five months, while the sales of new homes plunged 9 percent, the Commerce Department reported Wednesday.

The department said orders for durable and nondurable goods dropped to a seasonally adjusted total of \$212.6 billion in January after a big 2 percent increase in December, revised downward from 2.5 percent.

It was the first setback in orders since a 1.4 percent drop in August. But economists discounted much of the weakness, saying it merely reflected a return to a more normal level of demand after several large orders for jet aircraft in December.

Without the big swing in the transportation sector, which includes aircraft, orders actually would have been up 0.8 percent in January after a 0.9 percent December increase, a steady rate of advance that economists said better reflected the continued strength in U.S. manufacturing.

The 9 percent decline in home sales followed decreases of 6.8 percent in December and 3.4 percent in November. The December figure was revised from a 6.2 percent decrease.

The department said that sales of new single-family homes dropped to a seasonally adjusted annual rate of 535,000 units, the lowest level of sales activity since December 1982, when the most recent U.S. recession was ending.

The housing industry continues to be the sector of the U.S. economy hardest hit by the October collapse of stock prices. New home sales last month were 26 percent below the level of January 1987.

Consumers, apparently worried about the future after the record 508-point plunge in the Dow Jones industrial average on Oct. 19, stopped looking for new houses, analysts believe.

Despite the weakness, many economists remain hopeful that recent declines in mortgage rates will trigger a rebound in sales and construction in the months ahead.

Demand for American manufactured goods, meanwhile, has been surging for the past year as the weaker dollar has made U.S. products competitive on overseas markets.

The Reagan administration is counting on continued strength in export sales to provide almost half of the expected growth in the overall economy this year.

The January decline in manufactured goods orders included a 1.5 percent drop in demand for durable goods, those expected to last at least three years. An advance report a week ago had put the January decline in durable goods at 2.8 percent.

Demand for military equipment fell 3.8 percent in January after a 7.1 percent drop in December.

Orders for nondefense capital goods, a key category that reflects industry's plans to expand and modernize, rose 2.6 percent in January after a 12.6 percent December advance.

Shipments of manufactured goods fell 1.7 percent in January to \$207.7 billion following a 2 percent December increase.

Key Indexes Fall In Europe and North America

Reuters

NEW YORK — Leading economic indexes in Europe and North America continue to weaken, clouding the outlook for further worldwide economic expansion, the Conference Board business research group said Wednesday.

The indexes, which project future economic conditions, are falling at an annual rate of 1 percent in France and Italy, and registering no growth in West Germany and Britain.

They are advancing at an annual rate of 3 percent in the United States, down from 10 percent three months earlier, and 1 percent in Canada, down from 5 percent.

In contrast, Asia remains strong. The leading index in Japan grew at a 27 percent annual rate, although it was down from 48 percent three months earlier. 16 Taiwan and South Korea, the indexes grew at more than a 12 percent rate.

The report was based on data from November and, in some cases, December.

Currency Rates

Table with columns for Currency, Bid, Ask, and other financial data.

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New Drop in Price Pressures OPEC

By Warren Getler

LONDON — The price of crude oil, already trading on the spot market at more than \$4 below OPEC's fixed price of \$18 per barrel, is expected to fall further in coming weeks, increasing pressure on the 13-member cartel to call an emergency meeting and cut production.

Wednesday's spot market price for April delivery of North Sea Brent, the most widely traded crude, fell to a 16-month low in London of \$13.90 a barrel, down from \$14.15 at Tuesday's close.

Brent prices have dropped by almost \$2 in the past 11 days.

"If OPEC does not change its behavior, these prices are going to drift lower," said Chris Gruniewicz, oil analyst with the London brokerage Smith New Court PLC.

"There's too much crude around," he said. "Prices are going to continue weakish."

Petroleum Argus, a leading trade journal published in London, reported that the big storage facilities at Le Havre, France, and at Rotterdam, were nearly full. The journal said Le Havre's tanks now held 1.4 million tons of crude, up from about 600,000 tons just two weeks ago.

Jan Nasmyth, the journal's publisher, said he suspected that most of the unsold oil coming into Europe was from Saudi Arabia and Iran.

Free market oil prices also have been hit in recent weeks by reports of widespread price discounting by members of the Organization of Petroleum Exporting Countries.

The Japanese, who need large amounts of crude, have been reluctant to buy now with even lower spot prices in the offing. There were rumors this week, later denied, that Japan's Arabian Oil Co., of which Saudi Arabia and Kuwait each own 10 percent, had offered discounts to Japanese buyers.

The key factor depressing prices has been the oversupply that began with excessive OPEC production last summer and that was compounded by unseasonably mild weather in Europe and Japan.

"The only point in OPEC's calling a meeting would be if they really felt they had some chance of negotiating a lower production ceiling," said David Gray, chief oil analyst with James Capel & Co., the London stockbrokerage. "The odds of that are fairly small."

A Saudi Arabian role as "swing producer" has been ruled out by its new oil minister, Hisham Nazer. "The price of \$18 has become academic," Mr. Gray said. "We've got a mild winter in Europe and Japan leading to low demand and we've got reasonably high supply from non-OPEC producers. The result of those two factors is a supply glut on what the market perceives as a need from OPEC. OPEC's calling may just be too high."

Reuters' monthly survey, published Wednesday, suggested that none of the 12 OPEC members assigned a quota had violated it this year. Iraq does not have a quota.

Yamani Predicts a World Crisis

Reuters

LONDON — Ahmed Zaki Yamani, the former oil minister of Saudi Arabia, has reappeared in public to predict another energy crisis unless agreement can be reached between oil producers and consumers.

Sheikh Yamani, renewing a theme he dwelt on before losing his job in October 1985, said in a speech Tuesday night before Britain's Royal Institute of International Affairs that "it is only a matter of time before the whole world will be dependent on Gulf oil with all the political difficulties."

"That might arise as early as the mid-1990s," he said, adding: "I see no alternative but some sort of dialogue between major consumers and producers. Maybe out of that dialogue some sort of international agreement could be evolved to prevent a crisis, which would have very serious political consequences as well as financial and economic ones."

But, he said, "energy has a low profile" and political leaders, particularly in democracies, are prone to ignoring long-term dangers.

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Shearson and Swiss Firm Join de Benedetti

Compiled by Our Staff From Dispatches

BRUSSELS — Shearson Lehman Brothers of New York and Compagnie de Banque et d'Investissements of Geneva have joined forces with Carlo de Benedetti in his fight for Societa Generale di Banque SA, a spokesman for the Italian financier said Wednesday.

The two investment firms have each taken a 4 percent stake in Europe 1992, one of the companies that Mr. de Benedetti is using in his battle to gain control of Belgium's biggest company, according to Cerus, the entrepreneur's French investment arm.

Europe 1992 was created Sunday in a pact between Mr. de Benedetti and two of Belgium's most prominent businessmen, Andre Luyssens of Gevaert NV and Pierre Scobie of Cobequa.

Cerus said that Shearson and Compagnie de Banque were each contributing about 200,000 Generale shares to Europe 1992.

That would increase the new holding company's share in Generale to 17.4 percent of Generale's

old capital. Previously, Europe 1992's holding amounted to slightly less than 16 percent.

As of Tuesday, Mr. de Benedetti and a group of allies claimed to control 47.2 percent of Generale. The move by Shearson and Compagnie de Banque appeared to have pushed that stake beyond 48 percent.

A rival alliance led by the French investment firm Compagnie Financiere de Soez and Belgium's biggest insurer, Groupe AG, says it controls 52 percent of Generale.

Since both camps dispute the claims of their opponents, however, the takeover battle is considerably muddled.

In addition, a court ruling Tuesday that Generale could proceed with a capital increase of 12 million shares could dramatically alter the stakes of the two camps.

Europe 1992's holding, for example, would be diluted to just 12.2 percent if the ruling is upheld by a higher court.

Generale has interest in about

INTERNATIONAL POSITIONS

SENIOR MACROECONOMIST PLANNERS EDITOR for the Middle East

Work with SRI INTERNATIONAL, one of the world's leading research and consulting firms in providing planning assistance at the national level to a major Middle Eastern government.

These assignments will require residence in the Middle East for a period of 16-24 months. All positions offer competitive salaries and allowances, including paid R&R leave, and paid home leave after 12 months including round-trip airfare to U.S. or point of origin. Living accommodations and transportation will be provided.

Senior Macroeconomist: Start Date: As soon as possible Assignment: 2 years plus possible extension

This position is part of a multi-disciplinary consulting assignment involving high level reporting responsibilities. Applicants must have extensive international experience in economic development.

The Senior Macroeconomist will play a leadership role in the formulation of national macroeconomic goals and policies, and the strategies for attaining these goals over a five to fifteen year planning horizon. Duties will include coordinating the activities of a team of sector specialists in the preparation of a national economic development plan.

Applicants must have a Doctorate in Economics with experience in macroeconomic policy formulation including the preparation of national economic development plans in developing countries.

Education Planner: Start Date: April, 1988 Assignment: 20 months

This position carries the responsibility for the formulation of national objectives, policies and programs in both general and higher education. Duties will include guiding and coordinating the preparation of plans of government agencies and educational institutions. Strategies must be developed that will increase operational efficiency; match educational programs to national manpower needs; increase the effectiveness of teaching staff; and provide for enhancement of curriculum.

Applicants must have appropriate educational credentials with experience in national education planning, preferably in developing countries.

Technical & Vocational Planner: Start Date: August, 1988 Assignment: 16 months

The Technical and Vocational Training Planner is responsible for the formulation of national objectives, policies and programs in technical and vocational training. Training includes programs offered at all levels in the formal education and training system in industry, agriculture and commerce. Adult vocational upgrading, on-the-job training, and the training of civil servants for administrative services are also included.

Applicants must have appropriate academic credentials and experience in planning technical and vocational training systems at the national level.

Private Sector Development Planner: Start Date: June, 1988 Assignment: 18 months

The Private Sector Development Planner is responsible for the formulation of national objectives, policies and programs that will facilitate the development of the private sector and effect fundamental structural changes in the economy. These changes should result in a diversified economic base serving both domestic and foreign markets.

Applicants must have extensive experience in dealing with public policy issues affecting the private sector. Applicants with strong academic credentials in finance and industrial planning are preferred.

Plan Editor: Start Date: December, 1988 Assignment: 15 months

The Plan Editor is responsible for the editing of planning documents in the English language. Will review all draft material submitted by a team of national planning professionals and produce a consistent, professional document suitable for publication and broad public distribution.

Applicants must have appropriate academic credentials and diversified editing experience. Qualified candidates should forward their resumes, including salary requirements, to Richard J. Wolpert, Senior Management Recruiter, SRI INTERNATIONAL, 333 Ravenswood Avenue, Menlo Park, CA 94025.



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Wednesdays NYSE Closing

Tables include the nationwide price... do not reflect late trades elsewhere.

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Swedish Money Markets Dismayed by New Tax
STOCKHOLM — Sweden announced on Wednesday details of a new tax on its booming money markets in an effort to slow their growth.

EC Commission Softens Draft Rules on Mergers
BRUSSELS — The European Community's executive body softened its proposals Wednesday to regulate corporate mergers within the 12-nation trading bloc.

France Considers Changing Rules of Privatization
PARIS — The French government said Wednesday that it was considering changing its method of selling state-owned companies so that more stock would end up in employees' hands.

Market Guide
CME: Chicago Mercantile Exchange
NYMEX: New York Mercantile Exchange

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Advertisement for Rob Hughes, featuring a soccer ball and the text 'IF YOU GET A KICK OUT OF SOCCER, READ ROB HUGHES WEDNESDAYS IN THE IHT'.

BUSINESS ROUNDUP

Framatome Lifts Télémécanique Bid

Paris — The French nuclear company Framatome SA on Wednesday raised its friendly bid for Télémécanique Electrique SA...

be 4.1 billion francs (\$721 million). Framatome, 40 percent owned by Compagnie Générale d'Electricité, had originally offered 4,300 francs per share.

CRA's Net Grew 68% in '87

MELBOURNE — CRA Ltd., a mining and smelting group, reported Wednesday that net earnings jumped by 68 percent last year...

said selling prices in the second half were significantly higher than in the first. From one and a half to two and a half percent, revenues from those operations fell significantly, it said.

IBM Europe Sees a 10% Rise in Sales

PARIS — International Business Machines Corp. expects its European sales to rise about 10 percent this year after flat revenue in 1987...

francs. Analysts said the three banks hold substantial hidden reserves and therefore have plenty of room to maneuver in deciding what level of profitability to disclose.

IBM also introduced a new personal computer and its 3090 range of large computers in Europe. But the restructuring shifted its emphasis from simply selling machines to selling entire systems of computers and to programming and training.

Swiss Bank said its assets rose 6 percent, to 146.2 billion francs from 137.8 billion francs in 1986. Mr. Frehner said the increase would have been more than twice as big had it not been for instability in the currency markets.

MACY: Federated Accepts Bid From N.Y. Retailer, but Campeau Persists

(Continued from first finance page) future growth — as opposed to Campeau's potential breaking up or dismantling of the company...

before the agreement was signed. The tender offer is conditioned on Macy's obtaining a majority of Federated shares and completion of financing.

Soviet Intourist Will Introduce Visa Cards

MOSCOW — Intourist, the agency that coordinates travel throughout the Soviet Union, will issue credit cards this year under an agreement with Visa International.

The weekly publication Moscow News said Wednesday that "smart cards" containing computerized personal information about the bearer would be available. At first, it said, their use will be limited to a small number of Moscow department stores because of insufficient computerization.

Consolidated Gold's Profit Soared 87% in Half Year

LONDON — Strong gold prices helped Consolidated Gold Fields PLC record an 87.4 percent leap in pretax profit, to £182.7 million (\$324.7 million), in the first half of its financial year...

price was likely to rebound further as the turbulence on stock markets since Oct. 19 subsides. The price will also respond to the fundamental problems of the U.S. the mining company predicted.

SYSTEMTRENDS LIMITED MARCH 1993 SHARES

SYSTEMTRENDS LIMITED UP 55.8% IN 1987 NOW THE MANAGERS OFFER SYSTEMTRENDS GUARANTEED

- Invests in US Treasury Bonds to ensure the return of at least an investors' initial capital at maturity (March 1993).
- Will apply similar disciplined trading models to some 50 international Futures and Options markets to those of Systemtrend Limited.

Swiss Bank Corp. Says Profit Fell 3% in '87

Basel, Switzerland — Swiss Bank Corp., the second-largest Swiss bank, reported Wednesday that profit fell 3 percent last year to 652.3 million Swiss francs (\$468.4 million) from 674 million francs in 1986.

Bank announced that it had bought an additional 13 percent stake in Baloise-Holding from an unnamed foreign investors group in a friendly move to protect the insurer.

Mr. Frehner said Swiss Bank now owned slightly more than 20 percent of Baloise's shares.

Business Executive Offers To Buy Philippine Airlines

MANILA — Enrique Zobel, the prominent Filipino business executive, offered Wednesday in conjunction with unnamed partners to buy Philippine Airlines, which the government proposes to privatize as quickly as possible.

Bank said it had bought an additional 13 percent stake in Baloise-Holding from an unnamed foreign investors group in a friendly move to protect the insurer.

Mr. Zobel, who reputedly is one of Asia's richest industrialists, wrote Wednesday to President Corason C. Aquino informing her of his group's offer, a Zobel spokeswoman, Joan Ordoñez, said.

Escorts & Guides INTERNATIONAL

ESCORTS & GUIDES INTERNATIONAL (Continued from Back Page)

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ESCORTS & GUIDES NEW YORK ESCORT SERVICE 212-765-7896 212-765-7754

ADVERTISEMENTS for CASIO COMPUTER CO., LTD. and THE NOMURA SECURITIES CO., LTD.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 2nd March 1988

Table of international fund quotations including ALMAD GROUP, AMERICAN EXPRESS, and various international equity and bond funds.

INTERNATIONAL CLASSIFIED (Continued from Back Page) - Multiple listings for escorts and guides in various cities.

Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 01359ZF for further information.



CURRENCY MARKETS

Rumors, Greenspan Boost Dollar

NEW YORK — The dollar rose higher Wednesday on short-covering that, according to dealers, was sparked by a Japanese news report that said the United States could tolerate a stronger dollar.

Table with 3 columns: Currency, Rate, and Change. Includes entries for Deutsche mark, Swiss franc, Japanese yen, and French franc.

Nikkei Telecom, a Japanese service, quoted an unnamed U.S. official as saying that "at the very minimum, the upper range" of the dollar "would be consistent with the upper range in the previous Louvre agreement" by the Group of Seven major industrial democracies.

Dealers said the impact of the rumors had been vastly amplified by a very dull and bored market that is seeking direction. In Europe, traders said that the Bank of England intervened to sell sterling against marks in the afternoon as the pound tested the upward level of 3 DM level that the central bank has been defending in recent months.

Reverse Is Seen In Pound's Rise Later This Year

LONDON — The British pound, which has been pressing against the 3 Deutsche mark level in recent days, is unlikely to break through that level and may weaken sharply later this year, according to economists surveyed here.

Belgium to Refinance Debt by \$2 Billion Euronote Issue

By Carl Gewirtz International Herald Tribune PARIS — Belgium plans to refinance as much as \$2 billion of its foreign debt through the sale of medium-term Euronotes, its government announced Wednesday.

The program is the largest yet from a sovereign issuer in this fledgling market designed to straddle the maturity gap between the commercial paper and Eurobond markets. Belgium can offer paper ranging in maturity from nine months to 15 years, but intends to issue the bulk of the medium-term notes for a life of three years.

Unlike the Eurobonds issued by governments, the medium-term notes will not be registered. Belgium has retained the traditional bearer form for its tax-free Eurobonds to prevent domestic tax cheaters from buying its paper. As a result of this, and the fact that Belgium has never sought a credit rating, it has paid more to issue Eurobonds than other European nations such as Sweden.

Although the medium-term notes will be denominated in U.S. dollars, Belgian officials indicated that the bulk of the proceeds will be exchanged for Deutsche marks, Swiss francs and guilders. Belgium now has about \$700 million outstanding in Euro-commercial paper, the greatest part of which is exchanged for DM at rates ranging between 10 to 20 basis points below the London interbank bid rate, officials said.

TRADE: Despite Falling Dollar, No Bargains on U.S. Goods in Japan

(Continued from Page 1) The strong yen. Several say there is less pressure against Japanese exporters in the United States, and a number are doing better against the yen in Europe.

Worst off are small high-tech companies and others that have had trouble coping with the flip side of the weaker dollar. The already high cost of operating in Japan is even higher in dollar terms.

Grace and some other U.S. companies that have lowered prices substantially had no choice; Japanese customers, especially industrial concerns, insisted.

"We sell chemicals to automobile companies, and they are having a difficult time with the strong yen," said Mr. Makino of General Motors. "They are conducting cost-reduction programs, and we had to go along to survive."

REDWOODS: Pacific's Owner Tries to Repay Debt in One Fell Swoop

(Continued from first finance page) timber than they grow each year. Meanwhile, the harvest year has focused new attention on the takeover of Pacific Lumber.

Lawyers for the Federal Trade Commission say they are reviewing evidence presented by two U.S. congressmen who said it showed that Maxxam and Mr. Hurwitz might have violated federal antitrust laws in the acquisition. Congressional investigators also say they have evidence of "irregularities" in Maxxam's termination of Pacific Lumber's pension plan.

Spokesmen for Mr. Hurwitz deny any illegality or impropriety in the acquisition or in the pension plan's termination. They also deny that the harvesting practices are detrimental to the environment or to the future of the local economy.

Staff members of the subcommittee said that questions had been raised about Pacific Lumber's pension plan, which had \$90 million in assets when it was terminated after the takeover. Maxxam kept more than \$50 million and used \$37 million to buy annuities for the 2,861 plan participants.

Wednesday's OTC Prices. NASDAQ prices as of 4 P.M. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume. It is updated twice a year.

Main OTC price table with columns for 12 Month High, Low, Stock, Div. Yld., Sales in Millions, High, Low, 4 P.M. Close, and Net Change. Includes sub-sections A through Z.

who represents former Pacific Lumber shareholders fighting the increased harvest and the terms of the takeover. They feel Maxxam is raping the land and dismembering the company.

One worker who asked that his name not be used said that cathedral-like groves of old redwoods towering more than 300 feet (90 meters) were being "mauled."

Mr. Dingsell is attacking the Pacific Lumber transaction on another front. In a Jan. 28 letter to the Federal Trade Commission, he and the ranking Republican on the sub-

committee, Thomas J. Bliley Jr. of Virginia, said that Mr. Hurwitz may have violated a 1976 federal antitrust law in the acquisition of Pacific Lumber.

Table with columns for 12 Month High, Low, Stock, Div. Yld., Sales in Millions, High, Low, 4 P.M. Close, and Net Change. Includes sub-sections A through Z.

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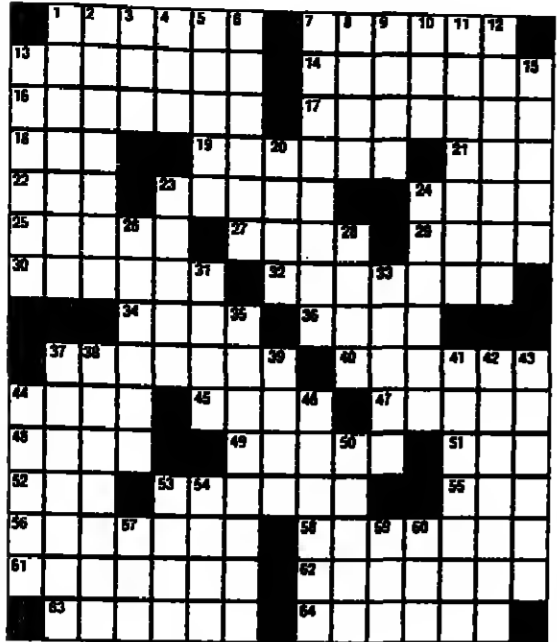
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**ACROSS**

1 Gold-rush name  
7 Collectors' items  
13 Contemplative  
14 Having social success  
16 Place for materiel  
17 Herb for the cook  
18 Party fare  
19 Mighty hunter  
21 Cicero's 104  
22 Buck's mate  
23 Scarf  
24 In arms  
25 Word with eclipse or module  
27 Spruce  
29 Roman road  
30 Regard highly  
32 Glad tidings  
34 Some W.W. II fliers  
36 Give off  
37 Part of vitamin B complex  
40 "She — to Conquer"; Goldsmith  
44 Indian of Manitoba  
45 Winklike  
47 Corpus Christi native  
48 Minus

**DOWN**

1 Earnest  
2 Left over, as a shopper's money  
3 Glad tidings  
4 Some W.W. II fliers  
4 Word with ear or can  
5 Dwight of the Red Sox  
6 Living remnant  
7 Playful  
8 Matador's victim  
9 Mimicked  
10 Phiz  
11 Pacily  
12 Fla. island

**ACROSS**

49 Peninsular country  
51 Biographer  
52 Mornings: Abbr.  
53 Large merchant ship  
55 Abner's father  
56 Carouse  
58 Mineral from a Russian range  
61 Silk fabric  
62 Warm up again  
63 Not encroaching, in football  
64 Ancient  
65 Palestinian ascetic

**DOWN**

13 Implement for Hiawatha  
15 Red — children's game  
20 "Utopia" author  
23 Source of beetel nuts  
24 Hallux  
26 Houses on peaks  
28 Pins  
31 "I Remember"  
33 — gritty  
35 Ornamental open work  
37 Vibrato  
38 Revolutionary War mercenary  
39 Euro-American defense gp.  
41 Rival of a Cantabrigian  
42 Atelier item  
43 Traps  
44 Oboliteration  
50 Trichords  
53 Yours, in  
54 Foxes from St. Louis  
57 Some sweater sizes: Abbr.  
59 Signs of contemptment  
60 Access  
61 Remick

*© New York Times, edited by Eugene Malinka.*

PEANUTS



BLONDIE



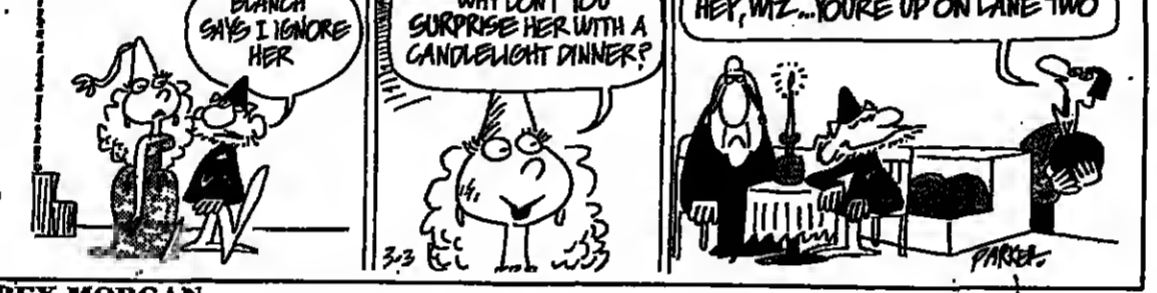
BEETLE BAILEY



ANDY CAPP



WIZARD OF ID



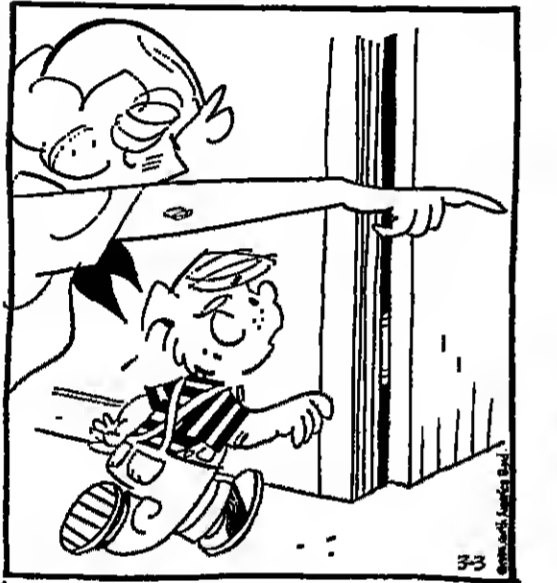
REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

**JUMBLE** THAT SCRAMBLED WORD GAME by Henri Arnold and Bolo Lave

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

**TILEE**

**LOFEN**

**RYNTIG**

**CALHUN**

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here:

Yesterday's Jumble: MIRTH SWISH HEIFER BIKAMY  
Answer: How to find out if your watch is gaining—WEIGH IT

WEATHER

EUROPE	NORTH AMERICA		ASIA		AFRICA	
	HI	LO	HI	LO	HI	LO
Algeria	15	22	15	22	15	22
Amsterdam	12	18	12	18	12	18
Antwerp	12	18	12	18	12	18
Berlin	12	18	12	18	12	18
Bombay	25	32	25	32	25	32
Buenos Aires	15	22	15	22	15	22
Calcutta	25	32	25	32	25	32
Cairo	15	22	15	22	15	22
Canton	25	32	25	32	25	32
Chongking	25	32	25	32	25	32
Colon	15	22	15	22	15	22
Hankow	25	32	25	32	25	32
Hong Kong	25	32	25	32	25	32
Kobe	25	32	25	32	25	32
London	12	18	12	18	12	18
Lyons	12	18	12	18	12	18
Manila	25	32	25	32	25	32
Medan	25	32	25	32	25	32
Osaka	25	32	25	32	25	32
Shanghai	25	32	25	32	25	32
Singapore	25	32	25	32	25	32
Tientsin	25	32	25	32	25	32
Yokohama	25	32	25	32	25	32
Yokohama	25	32	25	32	25	32

World Stock Markets

**World Stock Markets**  
Via Agence France Presse Closing prices in local currencies, March 2

Market	Index	Change
Amsterdam	4820	+20
London	2750	+10
Paris	1200	+5
Brussels	3500	+15
Frankfurt	4200	+25
Zurich	2800	+12
Stockholm	1500	+8
Copenhagen	1800	+10
Helsinki	2200	+15
Oslo	2000	+12
Warsaw	3000	+20
Bombay	12000	+50
Calcutta	10000	+40
Delhi	11000	+45
Madras	9000	+35
Colombo	8000	+30
Manila	7000	+25
Cebu	6000	+20
Singapore	5000	+15
Bangkok	4000	+10
Yokohama	3000	+8
Osaka	2000	+5
Tokyo	1000	+3
Hong Kong	8000	+30
London	2750	+10
Paris	1200	+5
Brussels	3500	+15
Frankfurt	4200	+25
Zurich	2800	+12
Stockholm	1500	+8
Copenhagen	1800	+10
Helsinki	2200	+15
Oslo	2000	+12
Warsaw	3000	+20
Bombay	12000	+50
Calcutta	10000	+40
Delhi	11000	+45
Madras	9000	+35
Colombo	8000	+30
Manila	7000	+25
Cebu	6000	+20
Singapore	5000	+15
Bangkok	4000	+10
Yokohama	3000	+8
Osaka	2000	+5
Tokyo	1000	+3
Hong Kong	8000	+30

BOOKS

BUYING INTO AMERICA: How Foreign Money Is Changing the Face of Our Nation

By Martin and Susan Tolchin. 400 pages. \$19.95. Times Books, 201 E. 50th Street, New York, N. Y. 10022.

Reviewed by Lester C. Thurow

FOREIGNERS are certainly buying American assets. The Japanese recently bought Firestone's tire-making activities. But foreign buyers must find willing American sellers if such sales are to occur, and before considering the sale to a foreigner, one might ask if the interests of the buyer or those of the seller. The title of Martin and Susan Tolchin's book, "Buying Into America," implies that the instigation is to be found among foreign purchasers who have decided that they must buy America rather than among Americans who have decided that they will sell America.

The book might be better entitled "The Selling of America," since the source of the sales is to be found in the American decision to have a standard of living that is higher than its productivity permits. Publicly, Americans want to enjoy consumption — defense, Social Security, medical care — without paying taxes. To raise the money to finance this desire, Americans must collectively sell assets. Privately, Americans don't want to save and want to enjoy more consumption than their incomes permit. To raise the money to finance this desire, Americans must individually sell assets.

If the selling of America is not a good idea, and the Tolchins rightly think it is not a good idea while at the same time giving a good, balanced account of the positive and negative consequences, then the real remedy is to be found not in legalistic restrictions upon foreigners that make it more difficult for them to buy American assets but in changes in American behavior that make it unnecessary for Americans to sell.

**Solution to Previous Puzzle**

B	E	T	A	T	A	S	S	C	A	L	E			
A	L	A	N	O	S	T	E	C	O	U	B	E		
T	O	P	O	F	T	H	E	M	G	R	N	I	N	G
E	P	I	I	T	E	M	S	E	D	G	E	S		
D	E	N	I	E	R	O	S	E						
C	O	R	D	E	P	A	R	T	E	D				
A	L	O	E	M	E	T	A	L	I	R	A			
M	O	O	L	E	O	F	T	H	E	R	O	A	D	
E	M	E	E	S	T	E	E	I	S	L	E			
S	T	R	E	A	M	E	R	I	O					
A	N	E	E	A	S	T	E	R	N					
A	P	A	R	T	M	A	N	S	E	D	E			
B	O	T	O	M	O	F	T	H	E	P	I	L	E	
B	O	T	H	O	R	E	A	L	I	O				
A	L	I	A	C	O	R	E	R	S	E	X	I		

BRIDGE

By Alan Truscott

THE laws of Bridge have for many years included an important appendix on etiquette and proprieties. The revised code for duplicate play published a year ago enlarged this and emphasized it by embodying it in the main text.

The American Contract Bridge League has recently placed stress on "Active Ethics," calling on players to exert themselves in insuring that their opponents are not injured by a violation of law or propriety.

The diagrammed example occurred in a match in San Francisco involving expert performers, and was reported by Peter Pender, a world champion in 1985 and long one of the country's finest players.

Consider West's opening lead problem against the contract of six spades. He cannot consider a trump lead, and must reject a diamond lead, since that is North's primary

**BRIDGE**

**North (D)**  
♠ A 8 6 4  
♥ A K J 2  
♦ A 10 9  
♣ K 10 8 7 6 5 4 3 2

**West**  
♠ Q 9 7  
♥ 7 5 4  
♦ A Q 7 6 2 2

**East**  
♠ A 7 5  
♥ 10 8 2  
♦ A K Q 5 4

**South**  
♠ A K 10 9 8 7  
♥ K Q J 6 4  
♦ Q 4  
♣ A 10 9 8 7 6 5 4 3 2

Both hands were vulnerable. The bidding:  
North East South West  
1♣ Pass 1♠ Pass  
2♣ Pass 4♠ Pass  
5♣ Pass 6♠ Pass  
6♠ Pass

West led the heart seven.

remark, question, explanation gesture, mannerism, special emphasis, indication, haste or hesitation, he should carefully avoid taking any advantage that might accrue to his side.

East presumably learned a salutary lesson: to avoid giving any information to his partner, he could and should have postponed his inquiry until the opening lead had been made. The stem would then have been defeated.



WREBOARD

JAPANESE

SPORTS

Series Hero Viola Has Life in Perspective

By Malcolm Moran

New York Times Staff Writer

asked to inform children how to live their lives and avoid its dangers...

approached — in the Minnesota dugout. "Can you believe that?" said Craig Fenech, Viola's agent.

Frank Viola, in camp: "All I'm doing is playing a kid's game."



Frank Viola, in camp: "All I'm doing is playing a kid's game."

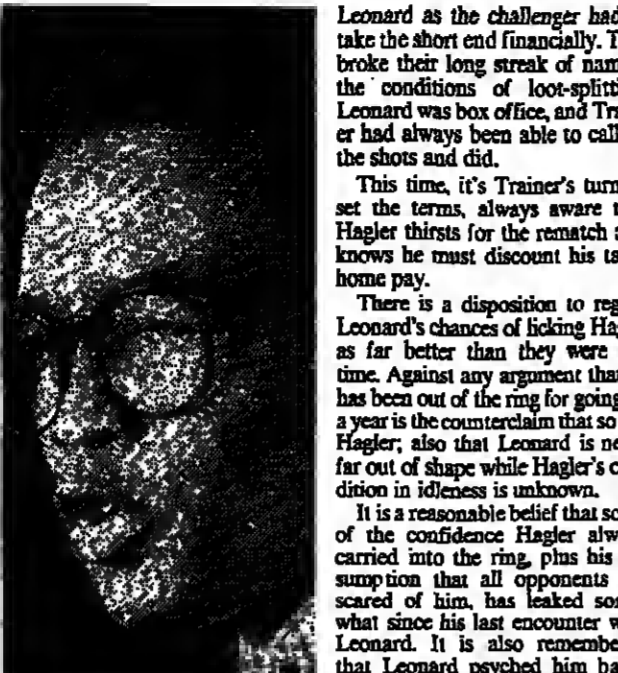
Last August, long before President Reagan stood in the Rose Garden and waved a Twins' homer hanky...

Recognition, but still no deal. In the corporate marketplace, not all that much had changed.

"We've tried deliberately to not have him appear at every rubber-chicken banquet," Fenech said.

VANTAGE POINT/Shirley Povich Leonard, Lucre and Hagler II

"Marvin Hagler never gave me credit. I beat him fair and square. He made allegations that some of the officials in Nevada are corrupt. I think it's unprofessional..."



Sugar Ray Leonard. This time, he's in the driver's seat.

WASHINGTON — So Sugar Ray Leonard told a talk-show host in Chicago last week...

Leonard as the challenger had to take the short end financially. That broke their long streak of naming the conditions of loot-splitting...

SCOREBOARD

Basketball

National Basketball Association Standings

Table with columns for Eastern Conference, Pacific Division, and Western Conference, listing teams and their records.

NBA Leaders

Table listing NBA leaders in various categories like Points, Rebounds, and Assists.

Hockey

National Hockey League Standings

Table with columns for Wales Conference and Campbell Conference, listing teams and their records.

NHL Leaders

Table listing NHL leaders in various categories like Goals, Points, and Assists.

McGuigan, Syracuse Squeaks By Villanova Ex-Manager Sever Ties

The Associated Press SYRACUSE, N.Y. — Syracuse Coach Jim Boheim says his team's recent string of close games is getting to him...

After a two-day hearing, McGuigan's lawyers announced that the boxer, who plans to make a comeback next month...

U. of South Carolina Fires 2 For Laxness in Drug Testing

COLUMBIA, South Carolina — The University of South Carolina's athletic director, Bob Marcum, was fired Tuesday after a task force found the school had not conducted random drug testing of athletes since the spring of 1986...

Since the spring of 1986, the only testing done was team testing, in which a whole team is screened and given 24- to 48-hour notice...

U.S. College Results

Table listing U.S. college results in various sports like Football, Basketball, and Hockey.

Transition

KANSAS CITY — Signed Danny Tartabull, outfielder, to a one-year contract. MINNESOTA — Signed Doug Bolter, shortstop, to a one-year contract...

Tennis

Pro Leaders

Table listing tennis pro leaders in various categories like Wins, Losses, and Titles.

European Soccer

Table listing European soccer results and winners of various cups.



Ski Race Weathered Out... in Canada... Again

Following the foul-weather delays of several ski events at the recent Winter Olympics in Alberta, the World Cup season's final giant slalom was aborted by fog Tuesday at Grouse Mountain, British Columbia...

ART BUCHWALD

'Pin 'em to the Wall'

WASHINGTON — There is "tough love" and then there is "tough media."



which is it — lousy or sick? And then he replies, "Some days I feel lousy about the tunnel and other days I feel sick about it."

"How do you do that?" "You ask the tough questions such as, 'Senator, how you ever committed adultery?'"

"Who are your best guests?" "I like to book TV evangelicals on the show. They are really good because they come up with stuff no one else dreams of."

Dallas Approves Exhibit On Kennedy Shooting

DALLAS — A contract to build a \$2.3 million elevator that will allow visitors to view the perch from which President John F. Kennedy was shot in 1963 has been awarded by the Dallas County Historical Foundation.

"No, but my subject does. The printed press portrays me as a first-class stinker."

"You have to let your subject know who is in charge on your show. Let's say you ask him, 'How do you feel about the Panama Canal?' and he replies, 'Lousy. That's your turn to zero in on him and say, 'You didn't say that in Des Moines during the debate, in Des Moines you said, and I quote, 'I'm sick of the Panama Canal.' Now

"I'd rather go to a black screen for eight minutes than lose someone a softball question."

Gabriel Axel's Feast of Film and Food

By Paul Chutkow

PARIS — The Danish film director Gabriel Axel is a man inhabited by two sharply conflicting spirits. Meet him in his modern, functional apartment in Paris and he looks a tall, ready, austere Scandinavian, a director who values craft over passion, technique over inspiration.



Stéphane Audran (above) in "Babette's Feast," by Gabriel Axel.

The son of an engineer, Axel spent most of his school days in France, and then went home to study acting at the Danish National Conservatory. But his real education came when he returned to France to start as a stagehand with the Paris theater company of Louis Jouvet.

French lottery, with a prize of 10,000 francs, and she asks the sisters to allow her to honor their father and their hospitality toward her with a real French meal.

PEOPLE

U.S. Artist Says Soviet Join in Spacey Art Deco

A U.S. artist who lives in Switzerland says he has signed an agreement with the Soviet Union to launch what could be the sculpture in space, a 20-foot-diameter ring with the word "peace" written on it in different languages.

Princess Diana got a Sikh spare lesson from a visiting American professor while helping to open a new headquarters for the American Institute for Foreign Study in London.

ANNOUNCEMENTS: SAVE MORE SUBSCRIBE BEFORE MARCH 31, 1988 to the INTERNATIONAL HERALD TRIBUNE

MOVING: CONTINUED. Small & medium moves, long-distance, nationwide. Call Chop for Paris 42 81 18 81 (near Opéra).

INTERNATIONAL CLASSIFIED

REAL ESTATE FOR SALE: PARIS & SUBURBS. REAL ESTATE TO RENT/SHARE: PARIS AREA FURNISHED. EMPLOYMENT: EXECUTIVE POSITIONS AVAILABLE.

LEGAL SERVICES: GUAM USA DIVORCE. EDUCATIONAL POSITIONS AVAILABLE: ENGLISH TEACHERS. LOW COST FLIGHTS: ACCESS VOYAGES.

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HOTELS: HOTEL NUMBER EIGHT. TRANSCO. LEGAL SERVICES. U.S. DIVORCE IN 15 DAYS. DIAMONDS. OFFICE SERVICES.

PARIS PASSION: Advertising Sales Director. Advertising Sales Representative. PARIS PASSION: An exciting new concept in advertising.

The Global Newspaper: Looking for a job? French, English, Spanish, Japanese, etc. national experience, willing to go back to Europe for a job.

